

A bill for an act

relating to the financing of state government; making supplemental appropriations and reductions in appropriations for early childhood through grade 12 education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, economic development, transportation, public safety, judiciary, state government, and health and human services; modifying certain statutory provisions and laws; providing for certain programs; fixing and limiting fees; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2006, sections 15A.0815, subdivisions 2, as amended, 3; 17.4988, subdivisions 2, 3; 41A.09, subdivision 3a; 93.481, by adding a subdivision; 97A.475, subdivision 29; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 6; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116.07, subdivision 4; 116L.04, subdivision 1; 116L.05, subdivisions 3, 5; 116L.16; 116L.20, subdivision 2; 116U.26; 121A.19; 122A.21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.118, subdivision 4; 124D.55; 125A.65, subdivision 4, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.40, subdivision 1; 126C.45; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136G.11, subdivision 1; 145.9255, subdivision 1; 168.013, by adding a subdivision; 168.1255, by adding a subdivision; 168A.29, as amended; 190.19, subdivision 1, by adding a subdivision; 190.25, subdivision 3, by adding a subdivision; 192.501, by adding subdivisions; 216C.41, subdivision 4; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 3a; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0625, subdivision 13e; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.32, subdivision 1; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6; 256B.75; 256D.44, subdivisions 2, 5; 270B.085, by adding a subdivision; 298.223, subdivision 2; 298.28, subdivision 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 299A.45, subdivision 1; 299A.705, by adding a subdivision; 325E.313; 325E.314; 357.021, subdivisions 6, 7; 446A.12, subdivision 1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 80A.65, subdivision 1; 103G.291, subdivision 3; 116L.17, subdivision 1; 123B.54; 124D.531, subdivision 1; 125A.76, subdivision 2; 126C.44; 127A.49, subdivisions 2, 3; 136A.121, subdivision 7a; 144E.45, subdivision 2; 171.06, subdivision 2; 190.19, subdivision 2; 216C.41, subdivision 3; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3;

256B.441, subdivisions 1, 55, 56; 256B.5012, subdivision 7; 256J.621; 297I.06, subdivision 3; Laws 1999, chapter 223, article 2, section 72; Laws 2005, chapter 156, article 1, section 11, subdivision 2; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 1, section 3, subdivision 4; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 4, 6; Laws 2007, chapter 135, article 1, sections 3, subdivisions 2, 3; 6, subdivision 4; Laws 2007, chapter 143, article 1, section 3, subdivision 2; Laws 2007, chapter 144, article 1, sections 3, subdivision 2; 5, subdivision 5; 7; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13, 14, 20; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, sections 11, subdivision 1; 13, subdivisions 2, 3, 4; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 7, section 71; article 19, section 3, subdivision 4; Laws 2007, chapter 148, article 1, section 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, sections 8, subdivision 2; 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 85; 94; 103B; 114D; 116J; 124D; 129D; 136F; 144; 173; 192; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections 126C.21, subdivision 1; 127A.45, subdivision 7a; 256.741, subdivision 15; 341.31; Laws 2004, chapter 188, section 2; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
SUMMARY
(General Fund Only, After Forecast Adjustments)

Section 1. GENERAL FUND SUMMARY.

The amounts shown in this section summarize general fund direct appropriations, and transfers into the general fund from other funds, made in this act.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>E-12 Education</u>	<u>\$ (1,216,000)</u>	<u>\$ 26,958,000</u>	<u>\$ 25,742,000</u>
<u>Higher Education</u>	<u>(7,150,000)</u>	<u>(14,411,000)</u>	<u>(21,561,000)</u>
<u>Environment and Natural Resources</u>	<u>(328,000)</u>	<u>(2,728,000)</u>	<u>(3,056,000)</u>
<u>Energy</u>	<u>(2,670,000)</u>	<u>(1,436,000)</u>	<u>(4,106,000)</u>
<u>Agriculture</u>	<u>(200,000)</u>	<u>388,000</u>	<u>188,000</u>
<u>Veterans Affairs</u>	<u>-0-</u>	<u>4,145,000</u>	<u>4,145,000</u>
<u>Military Affairs</u>		<u>390,000</u>	<u>390,000</u>
<u>Economic Development</u>	<u>(2,425,000)</u>	<u>1,512,000</u>	<u>(913,000)</u>
<u>Transportation</u>		<u>(255,000)</u>	<u>(255,000)</u>
<u>Public Safety</u>	<u>268,000</u>	<u>(10,490,000)</u>	<u>(10,222,000)</u>
<u>State Government</u>		<u>(1,104,000)</u>	<u>(1,104,000)</u>
<u>Health and Human Services</u>	<u>(46,789,000)</u>	<u>(124,196,000)</u>	<u>(170,985,000)</u>
<u>Subtotal of Appropriations</u>	<u>(60,510,000)</u>	<u>(121,227,000)</u>	<u>(181,737,000)</u>

3.1	<u>Transfers In</u>		<u>22,330,000</u>		<u>94,897,000</u>		<u>117,227,000</u>
3.2	<u>Total</u>	\$	<u>(82,840,000)</u>	\$	<u>(216,124,000)</u>	\$	<u>(298,964,000)</u>

3.3 ARTICLE 2

3.4 EARLY CHILDHOOD THROUGH GRADE 12 EDUCATION

3.5 Section 1. Minnesota Statutes 2006, section 121A.19, is amended to read:

3.6 **121A.19 DEVELOPMENTAL SCREENING AID.**

3.7 Each school year, the state must pay a district for each child or student screened by
3.8 the district according to the requirements of section 121A.17. The amount of state aid
3.9 for each child or student screened shall be: (1) ~~\$50~~ \$75 for a child screened at age three;
3.10 (2) ~~\$40~~ \$50 for a child screened at age four; (3) ~~\$30~~ \$40 for a child screened at age five
3.11 or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first
3.12 enrolling in a public school kindergarten if the student has not previously been screened
3.13 according to the requirements of section 121A.17. If this amount of aid is insufficient,
3.14 the district may permanently transfer from the general fund an amount that, when added
3.15 to the aid, is sufficient. Developmental screening aid shall not be paid for any student
3.16 who is screened more than 30 days after the first day of attendance at a public school
3.17 kindergarten, except if a student transfers to another public school kindergarten within
3.18 30 days after first enrolling in a Minnesota public school kindergarten program. In this
3.19 case, if the student has not been screened, the district to which the student transfers may
3.20 receive developmental screening aid for screening that student when the screening is
3.21 performed within 30 days of the transfer date.

3.22 Sec. 2. Minnesota Statutes 2006, section 122A.21, is amended to read:

3.23 **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

3.24 Subdivision 1. Licensure applications. Each application for the issuance, renewal,
3.25 or extension of a license to teach, including applications for licensure via portfolio under
3.26 subdivision 2, must be accompanied by a processing fee of \$57. Each application for
3.27 issuing, renewing, or extending the license of a school administrator or supervisor must
3.28 be accompanied by a processing fee in the amount set by the Board of Teaching. The
3.29 processing fee for a teacher's license and for the licenses of supervisory personnel must
3.30 be paid to the executive secretary of the appropriate board. The executive secretary of
3.31 the board shall deposit the fees with the commissioner of finance. The fees as set by the
3.32 board are nonrefundable for applicants not qualifying for a license. However, a fee must
3.33 be refunded by the commissioner of finance in any case in which the applicant already

holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with the applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. The fees must be paid to the executive secretary of the Board of Teaching. The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

Sec. 3. Minnesota Statutes 2007 Supplement, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) ~~\$14,813,000~~ \$14,814,000 in fiscal year 2008, ~~\$11,124,000~~ \$9,109,000 in fiscal year 2009, ~~\$8,866,000~~ \$7,286,000 in fiscal year 2010, and ~~\$6,631,000~~ \$6,878,000 in fiscal year 2011 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 4. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2006, section 123B.62, is amended to read:

123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.

(a) In addition to other bonding authority, with approval of the commissioner, a district may issue general obligation bonds for certain capital projects under this section.

The bonds must be used only to make capital improvements including:

(1) under section 126C.10, subdivision 14, total operating capital revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);

(2) the cost of energy modifications;

(3) improving disability accessibility to school buildings; ~~and~~

(4) bringing school buildings into compliance with life and safety codes and fire codes; and

(5) modifying buildings and equipment for security.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the district is filed with the school board within 30 days of the board's adoption of a

6.1 resolution stating the board's intention to issue bonds. The percentage is to be determined
6.2 with reference to the number of registered voters in the district on the last day before the
6.3 petition is filed with the board. The petition must call for a referendum on the question of
6.4 whether to issue the bonds for the projects under this section. The approval of 50 percent
6.5 plus one of those voting on the question is required to pass a referendum authorized
6.6 by this section.

6.7 (d) The bonds must be paid off within ~~ten~~ 15 years of issuance. The bonds must be
6.8 issued in compliance with chapter 475, except as otherwise provided in this section. A tax
6.9 levy must be made for the payment of principal and interest on the bonds in accordance
6.10 with section 475.61. The sum of the tax levies under this section and section 123B.61 for
6.11 each year must not exceed the limit specified in section 123B.61. The levy for each year
6.12 must be reduced as provided in section 123B.61. A district using an excess amount in the
6.13 debt redemption fund to retire the bonds shall report the amount used for this purpose to
6.14 the commissioner by July 15 of the following fiscal year. A district having an outstanding
6.15 capital loan under section 126C.69 or an outstanding debt service loan under section
6.16 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

6.17 (e) Notwithstanding paragraph (d), bonds issued by a district within the first
6.18 five years following voter approval of a combination according to section 123A.37,
6.19 subdivision 2, must be paid off within 20 years of issuance. All the other provisions and
6.20 limitation of paragraph (d) apply.

6.21 Sec. 6. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

6.22 Subd. 3. **Pupils in adjoining states.** Except as provided under an agreement with
6.23 an adjoining state under section 124D.041, a non-Minnesota pupil who resides in an
6.24 adjoining state in a district that borders Minnesota may enroll in a Minnesota district if
6.25 either the board of the district in which the pupil resides or state in which the pupil resides
6.26 pays tuition to the district in which the pupil is enrolled.

6.27 Sec. 7. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

6.28 Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the
6.29 commissioner must agree to rates of tuition for Minnesota elementary and secondary
6.30 pupils attending in other states for the next two fiscal years when the other state agrees to
6.31 negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the
6.32 designated authority in each state for pupils who reside in an adjoining state and enroll in
6.33 a Minnesota district. The rates must be at least equal to the tuition specified in section
6.34 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate,

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a Minnesota school district may negotiate a tuition rate with the school district in the other state that sends a pupil to or receives a pupil from the Minnesota school district. The tuition rate for a pupil with a disability must be equal to the actual cost of instruction and services provided. The resident district of a Minnesota pupil attending in another state under this section must pay the amount of tuition agreed upon in this section to the district of attendance, prorated on the basis of the proportion of the school year attended.

(b) Notwithstanding paragraph (a) and subdivision 9, if an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041, the provisions of section 124D.041 and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of paragraph (a) and subdivision 9 shall not apply.

Sec. 8. Minnesota Statutes 2006, section 124D.04, subdivision 8, is amended to read:

Subd. 8. **Effective if reciprocal.** This section is effective with respect to ~~South Dakota upon enactment of provisions by South Dakota that the commissioner determines are essentially similar to the provisions for Minnesota pupils in this section. This section is effective with respect to any other~~ bordering state upon enactment of provisions by the bordering state that the commissioner determines are essentially similar to the provisions for Minnesota pupils in this section.

Sec. 9. Minnesota Statutes 2006, section 124D.04, subdivision 9, is amended to read:

Subd. 9. **Appeal to the commissioner.** If a Minnesota school district cannot agree with an adjoining state on a tuition rate for a Minnesota student attending school in that state and that state has met the requirements in subdivision 8, then the student's parent or guardian may request that the commissioner ~~agree on~~ set a tuition rate for the student. The Minnesota district must pay the amount of tuition the commissioner ~~agrees upon~~ sets.

Sec. 10. **[124D.041] RECIPROCITY WITH ADJOINING STATES.**

Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement with the designated authority from an adjoining state to establish an enrollment options program between Minnesota and the adjoining state. Any agreement entered into pursuant to this section must specify the following:

(1) for students who are not residents of Minnesota, the enrollment options program applies only to a student whose resident school district borders Minnesota;

(2) the commissioner must negotiate equal, reciprocal rates with the designated authority from the adjoining state;

(3) if the adjoining state sends more students to Minnesota than Minnesota sends to the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed upon under clause (2) for the excess number of students sent to Minnesota;

(4) if Minnesota sends more students to the adjoining state than the adjoining state sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed upon under clause (2) for the excess number of students sent to the adjoining state;

(5) the application procedures for the enrollment options program between Minnesota and the adjoining state;

(6) the reasons for which an application for the enrollment options program between Minnesota and the adjoining may be denied; and

(7) that a Minnesota school district is not responsible for transportation for any resident student attending school in an adjoining state under the provisions of this section. A Minnesota school district may, at its discretion, provide transportation services for such a student.

(b) Any agreement entered into pursuant to this section may specify additional terms relating to any student in need of special education and related services pursuant to chapter 125A. Any additional terms must apply equally to both states.

Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in Minnesota pursuant to this section is included in the receiving school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of another Minnesota school district attending the receiving school district under section 124D.03.

(b) Any Minnesota resident student enrolled in an adjoining state pursuant to this section is included in the resident school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of the district attending another Minnesota school district under section 124D.03.

Subd. 3. **Procedures.** (a) The Department of Education must establish procedures relating to the application process, the collection or payment of funds under the provisions of any agreement established pursuant to this section, and the collection of data necessary to implement any agreement established pursuant to this section.

(b) Notwithstanding sections 124A.04 and 124A.05, if an agreement is established between Minnesota and an adjoining state pursuant to this section, the provisions of this section and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary, including provisions relating to tuition payments, shall not apply.

(c) Notwithstanding paragraph (a), any payments to adjoining states under this section shall be made according to section 127A.45, subdivision 16.

(d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b), and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not apply to: (i) enrollment transfers between Minnesota and a school district in an adjoining state enrolling fewer than 150 pupils that is exempted from participation in the program under the laws of the adjoining state; or (ii) enrollment transfers between Minnesota and a school district in an adjoining state under a board agreement initiated in fiscal year 2009 to serve students in grade levels discontinued by the resident district.

Sec. 11. Minnesota Statutes 2006, section 124D.05, is amended by adding a subdivision to read:

Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041, the provisions of section 124D.041 and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments, shall not apply.

Sec. 12. Minnesota Statutes 2006, section 124D.118, subdivision 4, is amended to read:

Subd. 4. **Reimbursement.** In accordance with program guidelines, the commissioner shall reimburse each participating public or nonpublic school ~~14~~ 20 cents for each half-pint of milk that is served to kindergarten students and is not part of a school lunch or breakfast reimbursed under section 124D.111 or 124D.1158.

Sec. 13. **[124D.141] STATE ADVISORY COUNCIL ON EARLY CHILDHOOD EDUCATION AND CARE.**

Subdivision 1. **Membership; Duties.** Two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader; and two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority; and two parents with a child under age six, shall be added to the membership of the State Advisory Council on Early Education and Care. The council must fulfill the duties required under the federal Improving Head Start for School Readiness Act of 2007 as provided in Public Law 110-134.

Subd. 2. **Additional duties.** The following duties are added to those assigned to the council under federal law:

(1) make recommendations on the most efficient and effective way to leverage state and federal funding streams for early childhood and child care programs;

(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning;

(3) review program evaluations regarding high-quality early childhood programs; and

(4) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children are school-ready by 2020.

Subd. 3. **Administration.** An amount up to \$12,500 from federal child care and development fund administrative funds and up to \$12,500 from prekindergarten exploratory project funds appropriated under Laws 2007, chapter 147, article 19, section 3, may be used to reimburse the parents on the council and for technical assistance and administrative support of the State Advisory Council on Early Childhood Education and Care. This funding stream is for fiscal year 2009. The council may pursue additional funds from state, federal, and private sources. If additional operational funds are received, the council must reduce the amount of prekindergarten exploratory project funds used in an equal amount.

Sec. 14. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008 equals \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

11.1 (1) the state total adult basic education aid for the preceding fiscal year plus any
11.2 amount that is not paid for during the previous fiscal year, as a result of adjustments under
11.3 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

11.4 (2) the lesser of:

11.5 (i) 1.03; or

11.6 (ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior~~
11.7 ~~program year to the state total contact hours in the second prior program year~~ the average
11.8 growth in state total contact hours over the prior 10 program years.

11.9 Beginning in fiscal year 2002, two percent of the state total adult basic education
11.10 aid must be set aside for adult basic education supplemental service grants under section
11.11 124D.522.

11.12 (b) The state total adult basic education aid, excluding basic population aid, equals
11.13 the difference between the amount computed in paragraph (a), and the state total basic
11.14 population aid under subdivision 2.

11.15 Sec. 15. Minnesota Statutes 2006, section 124D.55, is amended to read:

11.16 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

11.17 The commissioner shall pay 60 percent of the fee that is charged to an eligible
11.18 individual for the full battery of a general education development (GED) test, but not
11.19 more than ~~\$20~~ \$40 for an eligible individual.

11.20 Sec. 16. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

11.21 Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition
11.22 charge allowed in subdivision 3, the academies may charge the child's district of residence
11.23 for the academy's unreimbursed cost of providing an instructional aide assigned to that
11.24 child, after deducting the special education aid under section 125A.76, attributable to the
11.25 child, if that aide is required by the child's individual education plan. Tuition received
11.26 under this paragraph must be used by the academies to provide the required service.

11.27 (b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the
11.28 academies shall be increased by the academy's unreimbursed cost of providing ~~an one~~
11.29 to one instructional aide and behavioral management aides assigned to a child, after
11.30 deducting the special education aid under section 125A.76 attributable to the child, if ~~that~~
11.31 ~~aid is~~ the aides are required by the child's individual education plan. Aid received under
11.32 this paragraph must be used by the academies to provide the required service.

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12.1 (c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district
12.2 of the child's residence shall be reduced by the amount paid to the academies for district
12.3 residents under paragraph (b).

12.4 (d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008,
12.5 the commissioner shall make an estimated final adjustment payment to the Minnesota
12.6 State Academies for general education aid and special education aid for the prior fiscal
12.7 year by August 15.

12.8 (e) For fiscal year 2007, the academies may retain receipts received through mutual
12.9 agreements with school districts for one to one behavior management aides.

12.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.11 Sec. 17. Minnesota Statutes 2006, section 125A.65, is amended by adding a
12.12 subdivision to read:

12.13 Subd. 11. **Third-party reimbursement.** The Minnesota State Academies must seek
12.14 reimbursement under section 125A.21 from third parties for the cost of services provided
12.15 by the Minnesota State Academies whenever the services provided are otherwise covered
12.16 by a child's public or private health plan.

12.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
12.18 for revenue in fiscal years 2008 and later.

12.19 Sec. 18. Minnesota Statutes 2007 Supplement, section 125A.76, subdivision 2, is
12.20 amended to read:

12.21 Subd. 2. **Special education initial aid.** The special education initial aid equals the
12.22 sum of the following amounts computed using current year data:

12.23 (1) 68 percent of the salary of each essential person employed in the district's
12.24 program for children with a disability during the fiscal year, whether the person is
12.25 employed by one or more districts or a Minnesota correctional facility operating on a
12.26 fee-for-service basis;

12.27 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy
12.28 for the Blind, 68 percent of the salary of each one to one instructional and behavior
12.29 management aide assigned to a child attending the academy, ~~if that aide is~~ the aides are
12.30 required by the child's individual education plan;

12.31 (3) for special instruction and services provided to any pupil by contracting with
12.32 public, private, or voluntary agencies other than school districts, in place of special
12.33 instruction and services provided by the district, 52 percent of the difference between

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13.1 the amount of the contract and the general education revenue, excluding basic skills
13.2 revenue and alternative teacher compensation revenue, and referendum equalization aid
13.3 attributable to a pupil, calculated using the resident district's average general education
13.4 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the
13.5 school day the pupil receives services under the contract. This includes children who
13.6 are residents of the state, receive services under this subdivision and subdivision 1, and
13.7 are placed in a care and treatment facility by court action in a state that does not have a
13.8 reciprocity agreement with the commissioner under section 125A.155 as provided for in
13.9 section 125A.79, subdivision 8;

13.10 (4) for special instruction and services provided to any pupil by contracting for
13.11 services with public, private, or voluntary agencies other than school districts, that are
13.12 supplementary to a full educational program provided by the school district, 52 percent of
13.13 the amount of the contract for that pupil;

13.14 (5) for supplies and equipment purchased or rented for use in the instruction of
13.15 children with a disability, an amount equal to 47 percent of the sum actually expended by
13.16 the district, or a Minnesota correctional facility operating on a fee-for-service basis, but
13.17 not to exceed an average of \$47 in any one school year for each child with a disability
13.18 receiving instruction;

13.19 (6) for fiscal years 1997 and later, special education base revenue shall include
13.20 amounts under clauses (1) to (5) for special education summer programs provided during
13.21 the base year for that fiscal year;

13.22 (7) the cost of providing transportation services for children with disabilities under
13.23 section 123B.92, subdivision 1, paragraph (b), clause (4); and

13.24 (8) the district's transition-disabled program initial aid according to section
13.25 124D.454, subdivision 3.

13.26 The department shall establish procedures through the uniform financial accounting
13.27 and reporting system to identify and track all revenues generated from third-party billings
13.28 as special education revenue at the school district level; include revenue generated from
13.29 third-party billings as special education revenue in the annual cross-subsidy report; and
13.30 exclude third-party revenue from calculation of excess cost aid to the districts.

13.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

13.32 Sec. 19. Minnesota Statutes 2006, section 125A.76, is amended by adding a
13.33 subdivision to read:

13.34 **Subd. 4a. Adjustments for tuition reciprocity with adjoining states.** (a) If an
13.35 **agreement is reached between the state of Minnesota and an adjoining state pursuant to**

14.1 section 124D.041 that requires a special education tuition payment from the state of
14.2 Minnesota to the adjoining state, the tuition payment shall be made from the special
14.3 education aid appropriation for that year, and the state total special education aid under
14.4 subdivision 4 shall be reduced by the amount of the payment.

14.5 (b) If an agreement is reached between the state of Minnesota and an adjoining state
14.6 pursuant to section 124D.041 that requires a special education tuition payment from
14.7 an adjoining state to the state of Minnesota, the special education aid appropriation for
14.8 that year and the state total special education aid under subdivision 4 shall be increased
14.9 by the amount of the payment.

14.10 (c) If an agreement is reached between the state of Minnesota and an adjoining state
14.11 pursuant to section 124D.041 that requires special education tuition payments to be made
14.12 between the two states and not between districts in the two states, the special education aid
14.13 for a Minnesota school district serving a student with a disability from the adjoining state
14.14 shall be calculated according to section 127A.47, subdivision 7, except that no reduction
14.15 shall be made in the special education aid paid to the resident district.

14.16 Sec. 20. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

14.17 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
14.18 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
14.19 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
14.20 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
14.21 between: (1) the lesser of the district's general education revenue per adjusted marginal
14.22 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
14.23 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
14.24 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
14.25 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
14.26 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

14.27 (b) A district's transition revenue for fiscal ~~year~~ years 2006 and later through 2009
14.28 equals the sum of the product of the district's transition allowance times the district's
14.29 adjusted marginal cost pupil units plus the district's transition for prekindergarten revenue
14.30 under subdivision 31a.

14.31 (c) A district's transition revenue for fiscal year 2010 and later equals the sum of
14.32 the product of the district's transition allowance times the district's adjusted marginal cost
14.33 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a
14.34 plus the district's transition for tuition reciprocity revenue under subdivision 31c.

15.1 Sec. 21. Minnesota Statutes 2006, section 126C.10, is amended by adding a
15.2 subdivision to read:

15.3 Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a
15.4 tuition reciprocity agreement with an adjoining state is in effect under section 124D.041
15.5 and later, a school district's transition for tuition reciprocity revenue equals the greater of
15.6 zero or the difference between the sum of the general education revenue and net tuition
15.7 revenue the district would have received for pupils enrolled under section 124D.041 for
15.8 the first year the agreement is in effect if the agreement had not been in effect, and the
15.9 sum of the district's general education revenue and net tuition revenue for the first year
15.10 the agreement is in effect.

15.11 Sec. 22. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

15.12 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
15.13 subdivision 1, may be increased in the amount approved by the voters of the district at a
15.14 referendum called for the purpose. The referendum may be called by the board or shall be
15.15 called by the board upon written petition of qualified voters of the district. The referendum
15.16 must be conducted one or two calendar years before the increased levy authority, if
15.17 approved, first becomes payable. Only one election to approve an increase may be held
15.18 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the
15.19 referendum must be held on the first Tuesday after the first Monday in November. The
15.20 ballot must state the maximum amount of the increased revenue per resident marginal cost
15.21 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue
15.22 per resident marginal cost pupil unit that differs from year to year over the number of
15.23 years for which the increased revenue is authorized or may state that the amount shall
15.24 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be
15.25 the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot
15.26 may state that existing referendum levy authority is expiring. In this case, the ballot may
15.27 also compare the proposed levy authority to the existing expiring levy authority, and
15.28 express the proposed increase as the amount, if any, over the expiring referendum levy
15.29 authority. The ballot must designate the specific number of years, not to exceed ten, for
15.30 which the referendum authorization applies. The ballot, including a ballot on the question
15.31 to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate
15.32 the term "per resident marginal cost pupil unit" as "per pupil." The notice required under
15.33 section 275.60 may be modified to read, in cases of renewing existing levies at the same
15.34 amount per pupil as in the previous year:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE VOTING~~
~~FOR A PROPERTY TAX INCREASE~~ ARE VOTING TO EXTEND AN EXISTING
PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of,
School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per resident marginal cost pupil unit times the resident marginal cost pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum ~~may result in an increase in your property taxes~~ extends an existing operating referendum at the same amount per pupil as in the previous year."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to

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revoke or reduce the revenue amount must state the amount per resident marginal cost pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective for elections conducted on or after July 1, 2008.

Sec. 23. Minnesota Statutes 2006, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. To lease building or land. (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The

commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed ~~\$100~~ \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services;

and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed ~~\$25~~ \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease purchase agreement for a building for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e).

Sec. 24. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the

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necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

(c) ~~If~~ A school district ~~spends~~ must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify that its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2010.

Sec. 25. Minnesota Statutes 2006, section 126C.45, is amended to read:

126C.45 ICE ARENA LEVY.

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed ~~90 percent of~~ the net actual costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Any district operating and maintaining an ice arena must demonstrate to the satisfaction of the Office of Monitoring in the department that the district will offer equal sports opportunities for male and female students to use its ice arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings.

Sec. 26. Minnesota Statutes 2006, section 126C.51, is amended to read:

126C.51 APPLICATION OF LIMITING TAX LEGISLATION.

Notwithstanding the provisions of section 471.69 or 471.75, or of any other provision of law which by per capita limitation, local tax rate limitation, or otherwise, limits the power of a district to incur any debt or to issue any warrant or order, a school district or intermediate school district has the powers in sections 126C.50 to 126C.56

21.1 specifically conferred upon it and all powers incident and necessary to carrying out the
21.2 purposes of sections 126C.50 to 126C.56.

21.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.4 Sec. 27. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

21.5 Subd. 2. **Limitations.** The board of any school district may also borrow money
21.6 in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in
21.7 anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of
21.8 federal school aids to be distributed by or through the department. The aggregate of such
21.9 borrowings under this subdivision shall never exceed 75 percent of such aids which are
21.10 receivable by said school district in the ~~school~~ fiscal year ~~(from July 1 to June 30)~~ in which
21.11 the money is borrowed, as estimated and certified by the commissioner.

21.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.13 Sec. 28. Minnesota Statutes 2006, section 126C.52, is amended by adding a
21.14 subdivision to read:

21.15 Subd. 3. **Intermediate school districts.** (a) The board of an intermediate school
21.16 district may borrow money in the manner and subject to the limitations set forth in
21.17 sections 126C.50 to 126C.56 in anticipation of the receipt of:

21.18 (1) state aids for schools as defined in Minnesota Statutes;

21.19 (2) federal school aids to be distributed by or through the department; and

21.20 (3) membership fees and tuition payments from its member school districts.

21.21 The aggregate of such borrowings under this subdivision shall never exceed 75
21.22 percent of such aids, fees, and tuition payments which are receivable by the intermediate
21.23 school district in the fiscal year in which the money is borrowed, as estimated and certified
21.24 by the commissioner.

21.25 (b) The board of an intermediate school district may, upon receipt of a written
21.26 resolution by each of its member school districts, pledge the member district's full faith
21.27 and credit and unlimited taxing powers to repay each member district's pro rata share of
21.28 any certificates issued or the amount paid by the state under section 126C.55, subdivision
21.29 2, plus interest, if the revenues specified in paragraph (a) and any other revenues of the
21.30 intermediate school district are insufficient to do so.

21.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.1 Sec. 29. Minnesota Statutes 2006, section 126C.53, is amended to read:

22.2 **126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF**
22.3 **INDEBTEDNESS.**

22.4 The board of a school district or intermediate school district may authorize and
22.5 effect such borrowing, and may issue such certificates of indebtedness upon passage of
22.6 a resolution specifying the amount and purposes for which it deems such borrowing is
22.7 necessary. The resolution must be adopted by a vote of at least two-thirds of its members.
22.8 The board must fix the amount, date, maturity, form, denomination, and other details of
22.9 the certificates of indebtedness, not inconsistent with this chapter. The board must fix the
22.10 date and place for receipt of bids for the purchase of the certificates when bids are required
22.11 and direct the clerk to give notice of the date and place for bidding.

22.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.13 Sec. 30. Minnesota Statutes 2006, section 126C.55, is amended to read:

22.14 **126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL**
22.15 **DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.**

22.16 Subdivision 1. **Definitions.** For the purposes of this section, the term "debt
22.17 obligation" means:

- 22.18 (1) a ~~tax or aid anticipation~~ certificate of indebtedness issued under section 126C.52;
- 22.19 (2) a certificate of participation issued under section 126C.40, subdivision 6; or
- 22.20 (3) a general obligation bond.

22.21 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or
22.22 intermediate school district believes that it may be unable to make a principal or interest
22.23 payment on any outstanding debt obligation on the date that payment is due, it must
22.24 notify the commissioner as soon as possible, but not less than 15 working days before the
22.25 date that principal or interest payment is due. The notice must include the name of the
22.26 school district or intermediate school district, an identification of the debt obligation issue
22.27 in question, the date the payment is due, the amount of principal and interest due on the
22.28 payment date, the amount of principal or interest that the school district or intermediate
22.29 school district will be unable to repay on that date, the paying agent for the debt obligation,
22.30 the wire transfer instructions to transfer funds to that paying agent, and an indication as to
22.31 whether a payment is being requested by the school district or intermediate school district
22.32 under this section. If a paying agent becomes aware of a potential default, it shall inform
22.33 the commissioner of that fact. After receipt of a notice which requests a payment under
22.34 this section, after consultation with the school district or intermediate school district and

the paying agent, and after verification of the accuracy of the information provided, the commissioner shall notify the commissioner of finance of the potential default. The notice must include a final figure as to the amount due that the school district or intermediate school district will be unable to repay on the date due.

(b) Except as provided in subdivision 9, upon receipt of this notice from the commissioner, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the department from the state general fund.

(c) The Departments of Education and Finance must jointly develop detailed procedures for school districts and intermediate school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts or intermediate school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. **School district bound; interest rate on state paid amount.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the school district or intermediate school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments received from the district.

Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 4a. **Aid reduction for repayment.** (a) Except as provided in this subdivision, the state must reduce the state aid payable to the school district or intermediate school

24.1 district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273
24.2 by the amount paid by the state under this section on behalf of the district, plus the interest
24.3 due on it, and the amount reduced must revert from the appropriate account to the state
24.4 general fund. Payments from the school district endowment fund or any federal aid
24.5 payments shall not be reduced.

24.6 (b) For an intermediate school district, the state aid payable to the intermediate
24.7 school district must first be reduced, before any reduction is made to the state aids payable
24.8 to the member districts. If the state aid payable to the intermediate school district is
24.9 not sufficient to repay the state, state aid payable to member districts may be reduced
24.10 proportionately based on the ratio of each member district's adjusted net tax capacity to
24.11 the total adjusted net tax capacity of all member districts.

24.12 (c) If, after review of the financial situation of the school district or intermediate
24.13 school district, the commissioner advises the commissioner of finance that a total reduction
24.14 of aids would cause an undue hardship on or an undue disruption of the educational
24.15 program of the district, the commissioner, with the approval of the commissioner of
24.16 finance, may establish a different schedule for reduction of aids to repay the state. The
24.17 amount of aids to be reduced is decreased by any amounts repaid to the state by the district
24.18 from other revenue sources.

24.19 **Subd. 6. Tax levy for repayment.** (a) With the approval of the commissioner, a
24.20 district may levy in the year the state makes a payment under this section an amount up to
24.21 the amount necessary to provide funds for the repayment of the amount paid by the state
24.22 plus interest through the date of estimated repayment by the district. The proceeds of this
24.23 levy may be used only for this purpose unless they are in excess of the amount actually
24.24 due, in which case the excess shall be used to repay other state payments made under this
24.25 section or shall be deposited in the debt redemption fund of the school district. This levy
24.26 shall be an increase in the levy limits of the district for purposes of section 275.065,
24.27 subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by
24.28 the amount levied. This levy by the district is not eligible for debt service equalization
24.29 under section 123B.53.

24.30 (b) If the state is not repaid in full for a payment made under this section by
24.31 November 30 of the calendar year following the year in which the state makes the
24.32 payment, the commissioner shall require the district to certify a property tax levy in an
24.33 amount up to the amount necessary to provide funds for repayment of the amount paid by
24.34 the state plus interest through the date of estimated repayment by the school district. To
24.35 prevent undue hardship, the commissioner may allow the district to certify the levy over a
24.36 five-year period. The proceeds of the levy may be used only for this purpose unless they

are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53 or any successor provision. A levy under this subdivision must be explained as a specific increase at the meeting required under section 275.065, subdivision 6.

(c) For an intermediate district, a levy made by a member district under paragraph (a) or (b) to pay its pro rata share must be spread by the commissioner as a tax rate based on the total adjusted net tax capacity of the member school districts. The proceeds of the levy must be remitted by the member school district to the intermediate school district and must be used by the intermediate district only to repay the state amounts owed. Any amount in excess of the amount owed to the state must be repaid to the member school districts and the commissioner shall adjust each member district's property tax levy in the next year.

Subd. 7. Election as to mandatory application. A school district or intermediate school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the district obligates itself to be bound by this section, it must covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner under subdivision 1 that it will be unable to make all or a portion of that payment. A district that has obligated itself must include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date. If a district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is

26.1 unable to make payments on one or more of those issues, the district must continue to
26.2 make payments on the remaining issues.

26.3 Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments on
26.4 behalf of a school district or intermediate school district under this section or the district
26.5 defaults in the payment of principal or interest on an outstanding debt obligation, it must
26.6 submit a plan to the commissioner for approval specifying the measures it intends to
26.7 implement to resolve the issues which led to its inability to make the payment and to
26.8 prevent further defaults. The department must provide technical assistance to the district
26.9 in preparing its plan. If the commissioner determines that a district's plan is not adequate,
26.10 the commissioner shall notify the district that the plan has been disapproved, the reasons
26.11 for the disapproval, and that the state shall not make future payments under this section for
26.12 debt obligations issued after the date specified in that notice until its plan is approved. The
26.13 commissioner may also notify the district that until its plan is approved, other aids due the
26.14 district will be withheld after a date specified in the notice.

26.15 Subd. 9. **State bond rating.** If the commissioner of finance determines that the
26.16 credit rating of the state would be adversely affected thereby, the commissioner of finance
26.17 shall not issue warrants under subdivision 2 for the payment of principal or interest on any
26.18 debt obligations for which a district did not, prior to their issuance, obligate itself to be
26.19 bound by the provisions of this section.

26.20 Subd. 10. **Continuing disclosure agreements.** The commissioner of finance
26.21 may enter into written agreements or contracts relating to the continuing disclosure of
26.22 information needed to facilitate the ability of school districts or intermediate school
26.23 districts to issue debt obligations according to federal securities laws, rules, and
26.24 regulations, including securities and exchange commission rules and regulations, section
26.25 240.15c2-12. Such agreements or contracts may be in any form the commissioner of
26.26 finance deems reasonable and in the state's best interests.

26.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

26.28 Sec. 31. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

26.29 Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current
26.30 year aid payment percentage of the amounts under section 123A.26, subdivision 3 and
26.31 section 124D.041, shall be paid in equal installments on August 30, December 30, and
26.32 March 30, with a final adjustment payment on October 30 of the next fiscal year of the
26.33 remaining amount.

Sec. 32. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

~~(E) section 126C.13, if the district received general education aid according to section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second preceding year;~~

~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

28.1 ~~(I)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid
28.2 according to section 124D.22, subdivision 4, in the second preceding year;

28.3 ~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance
28.4 aid according to section 123B.591, subdivision 4, in the second preceding year; and

28.5 ~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher
28.6 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
28.7 (a), in the second preceding year; to

28.8 (ii) the total amount of the district's certified levy in the third preceding December,
28.9 plus or minus auditor's adjustments.

28.10 Sec. 33. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 3, is
28.11 amended to read:

28.12 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a
28.13 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon
28.14 decertification of a tax increment district, the school district's aid and levy limitations
28.15 must be adjusted for the fiscal year in which the excess tax increment is paid under the
28.16 provisions of this subdivision.

28.17 (b) An amount must be subtracted from the district's aid for the current fiscal year
28.18 equal to the product of:

28.19 (1) the amount of the payment of excess tax increment to the district, times

28.20 (2) the ratio of:

28.21 (i) the sum of the amounts of the district's certified levy for the fiscal year in which
28.22 the excess tax increment is paid according to the following:

28.23 (A) section 123B.57, if the district received health and safety aid according to that
28.24 section for the second preceding year;

28.25 (B) section 124D.20, if the district received aid for community education programs
28.26 according to that section for the second preceding year;

28.27 (C) section 124D.135, subdivision 3, if the district received early childhood family
28.28 education aid according to section 124D.135 for the second preceding year;

28.29 (D) section 126C.17, subdivision 6, if the district received referendum equalization
28.30 aid according to that section for the second preceding year;

28.31 ~~(E) section 126C.13, if the district received general education aid according to~~
28.32 ~~section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second~~
28.33 ~~preceding year;~~

28.34 ~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid
28.35 according to section 126C.10, subdivision 13b, in the second preceding year;

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29.1 ~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according
29.2 to section 126C.10, subdivision 30, in the second preceding year;

29.3 ~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid
29.4 according to section 126C.10, subdivision 33, in the second preceding year;

29.5 ~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service
29.6 equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

29.7 ~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid
29.8 according to section 124D.22, subdivision 4, in the second preceding year;

29.9 ~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance
29.10 aid according to section 123B.591, subdivision 4, in the second preceding year; and

29.11 ~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher
29.12 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
29.13 (a), in the second preceding year; to

29.14 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus
29.15 auditor's adjustments.

29.16 (c) An amount must be subtracted from the school district's levy limitation for the
29.17 next levy certified equal to the difference between:

29.18 (1) the amount of the distribution of excess increment; and

29.19 (2) the amount subtracted from aid pursuant to clause (a).

29.20 If the aid and levy reductions required by this subdivision cannot be made to the aid
29.21 for the fiscal year specified or to the levy specified, the reductions must be made from
29.22 aid for subsequent fiscal years, and from subsequent levies. The school district must use
29.23 the payment of excess tax increment to replace the aid and levy revenue reduced under
29.24 this subdivision.

29.25 (d) This subdivision applies only to the total amount of excess increments received
29.26 by a district for a calendar year that exceeds \$25,000.

29.27 Sec. 34. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to
29.28 read:

29.29 Subd. 13. **Preadvanced placement, advanced placement, international**
29.30 **baccalaureate, and concurrent enrollment programs.** For preadvanced placement,
29.31 advanced placement, international baccalaureate, and concurrent enrollment programs
29.32 under Minnesota Statutes, sections 120B.132 and 124D.091:

29.33 \$ 6,500,000 2008

29.34 \$ 6,500,000 2009

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Of this amount, \$2,500,000 each year is for concurrent enrollment program aid under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district. Any balance in the first year does not cancel but is available in the second year.

The base appropriation for fiscal year 2010 and later is \$2,000,000.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 35. Laws 2007, chapter 146, article 2, section 46, subdivision 14, is amended to read:

Subd. 14. **Collaborative urban educator.** For the collaborative urban educator grants under Minnesota Statutes, section 122A.641 program:

\$	528,000	2008
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\$	528,000	2009
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\$210,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; \$159,000 each year is for the collaborative urban educator program at the University of St. Thomas; and \$159,000 each year is for the Center for Excellence in Urban Teaching at Hamline University. Grant recipients must collaborate with urban and nonurban school districts.

Any balance in the first year does not cancel but is available in the second year.

Sec. 36. Laws 2007, chapter 146, article 2, section 46, subdivision 20, is amended to read:

Subd. 20. **College-level examination program (CLEP).** For the college-level examination program (CLEP) under Minnesota Statutes, section 120B.131:

\$	1,650,000 <u>850,000</u>	2008
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\$	1,650,000 <u>500,000</u>	2009
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Any balance in the first year does not cancel but is available in the second year.
This is a onetime appropriation.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 37. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The task force must submit to the education policy and finance committees of the legislature by February 15, ~~2008~~ 2009, a report that identifies and

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31.1 clearly and concisely explains each provision in state law or rule that exceeds ~~or expands~~
31.2 ~~upon~~ a minimum federal requirement contained in law or regulation for providing special
31.3 education programs and services to eligible students. The report also must recommend
31.4 which state ~~provisions~~ statutes and rules that exceed ~~or expand upon~~ a minimum federal
31.5 requirement may be amended to conform with minimum federal requirements or made
31.6 more effective as determined by a majority of the task force members. The task force must
31.7 recommend rules governing the use of aversive and deprivation procedures by school
31.8 district employees or persons under contract with a school district. The task force expires
31.9 when it submits its report to the legislature.

31.10 (b) Consistent with subdivision 1, the Department of Education member of the
31.11 task force representing regulators shall be replaced with a parent advocate selected by a
31.12 statewide organization that advocates on behalf of families with children with disabilities.

31.13 (c) The Department of Education must provide technical assistance at the request of
31.14 the task force.

31.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

31.16 Sec. 38. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to
31.17 read:

31.18 Subd. 9. **Special Education Task Force.** For the task force to compare federal
31.19 and state special education requirements:

31.20 \$ ~~20,000~~ 40,000 2008

31.21 Any balance in the first year does not cancel but is available in the second year.

31.22 This is a onetime appropriation.

31.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

31.24 Sec. 39. Laws 2007, chapter 146, article 5, section 11, subdivision 1, is amended to
31.25 read:

31.26 Subdivision 1. **Fiscal year 2007 replacement aid.** Independent School District No.
31.27 2899, Plainview-Elgin-Millville, is eligible for replacement ~~aid~~ revenue to offset its excess
31.28 fund balance penalty for fiscal year 2007. The aid adjustment must be made under Laws
31.29 2007, chapter 146, article 5, section 13, subdivision 5. The levy adjustment of \$6,600
31.30 must be included as part of the district's property taxes for taxes payable in 2009.

31.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

32.1 Sec. 40. Laws 2007, chapter 146, article 5, section 13, subdivision 3, is amended to
32.2 read:

32.3 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
32.4 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
32.5 124D.118:

32.6		5,460,000		
32.7	\$	<u>5,583,000</u>	.....	2008
32.8		5,695,000		
32.9	\$	<u>6,396,000</u>	.....	2009

32.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

32.11 Sec. 41. Laws 2007, chapter 146, article 7, section 4, is amended to read:

32.12 Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

32.13 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
32.14 indicated in this section are appropriated from the general fund to the Department of
32.15 Education for the fiscal years designated.

32.16 Subd. 2. **Department.** (a) For the Department of Education:

32.17	\$	22,169,000	.....	2008
32.18		22,653,000		
32.19	\$	<u>21,811,000</u>	.....	2009

32.20 Any balance in the first year does not cancel but is available in the second year.

32.21 (b) \$7,000 in fiscal year 2008 is for GRAD test rulemaking.

32.22 (c) \$7,000 in fiscal year 2008 is for rulemaking under section 3.

32.23 (d) \$40,000 each year is for an early hearing loss intervention coordinator under
32.24 Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal
32.25 funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63,
32.26 subdivision 5, then the appropriation under this paragraph is reallocated for purposes of
32.27 employing a world languages coordinator.

32.28 (e) \$260,000 each year is for the Minnesota Children's Museum.

32.29 (f) \$41,000 each year is for the Minnesota Academy of Science.

32.30 (g) \$619,000 in fiscal year 2008 and \$632,000 in fiscal year 2009 are for the Board
32.31 of Teaching.

32.32 (h) \$163,000 in fiscal year 2008 and \$171,000 in fiscal year 2009 are for the Board
32.33 of School Administrators.

32.34 (i) \$50,000 each year is for the Duluth Children's Museum.

(j) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(k) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(l) \$50,000 in fiscal year 2009 is for an advisory task force for determining how the educational achievement of low-income students and students of color is impacted by education issues related to rigorous preparation and coursework, educators' professional development, English language learners, special education, GRAD tests, and the use of valid and reliable data on student preparation for postsecondary academic and career opportunities. This amount is not added to the base appropriation for fiscal year 2010 and later. The department shall not expend any funds unless a match of an equal amount of nonstate funds has been received for this purpose.

(m) The base for fiscal year 2010 and later is \$21,761,000.

Sec. 42. Laws 2007, chapter 146, article 9, section 17, subdivision 4, is amended to read:

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

	3,159,000	
\$	<u>2,624,000</u>	..... 2008
	3,330,000	
\$	<u>3,592,000</u>	..... 2009

The 2008 appropriation includes \$288,000 for 2007 and ~~\$2,871,000~~ \$2,336,000 for 2008.

The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~ \$3,333,000 for 2009.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 43. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** **\$ ~~584,000~~ 148,000**

The appropriations in this section are from the general fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

34.1 Sec. 44. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
34.2 2, is amended to read:

34.3 Subd. 2. **Independent School District No. 239,**
34.4 **Rushford-Peterson**

34.5 **(a) Flood Enrollment Impact Aid** 89,000

34.6 The commissioner of education shall pay to
34.7 the school district flood enrollment impact
34.8 aid equal to \$5,394 times the number of
34.9 pupils lost as a result of the floods of August
34.10 2007. The district must provide to the
34.11 commissioner of education documentation
34.12 of the number of pupils in average daily
34.13 membership lost as a result of the flood.

34.14 **(b) ~~Disaster Relief Facilities Grant~~** ~~250,000~~

34.15 ~~For facilities cleanup, repair, and replacement~~
34.16 ~~costs related to the floods of August 2007 not~~
34.17 ~~covered by the district's insurance settlement~~
34.18 ~~or through Federal Emergency Management~~
34.19 ~~Agency payments. The commissioner of~~
34.20 ~~education may request the school district~~
34.21 ~~to provide necessary information before~~
34.22 ~~awarding a grant.~~

34.23 **(c) Pupil Transportation Aid** 40,000

34.24 For increased costs associated with
34.25 transporting students as a result of the floods
34.26 of August 2007.

34.27 Sec. 45. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
34.28 6, is amended to read:

34.29 Subd. 6. **Disaster Relief Facilities Grants to**
34.30 **Other Districts** ~~90,000~~ 14,000

34.31 For facilities cleanup, repair, and replacement
34.32 costs related to the floods of August 2007 not
34.33 covered by the district's insurance settlement

35.1 or through Federal Emergency Management
35.2 Agency payments. The commissioner of
35.3 education may request the school district
35.4 to provide necessary information before
35.5 awarding a grant. School districts not
35.6 included in subdivisions 2 to 5 must be given
35.7 priority in the allocation of this appropriation.

35.8 Sec. 46. **FUND TRANSFERS.**

35.9 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
35.10 on June 30, 2008, a school district may transfer money from its reserved for operating
35.11 capital account to its undesignated balance in the general fund. The amount transferred
35.12 by any school district must not exceed \$51 times the district's adjusted marginal cost
35.13 pupil units for fiscal year 2007. This transfer may occur only after the school board has
35.14 adopted a written resolution stating the amount of the transfer and declaring that the
35.15 school district's operating capital needs are being met.

35.16 Subd. 2. **Balaton school district.** Notwithstanding Minnesota Statutes, section
35.17 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No.
35.18 411, Balaton, may transfer up to \$70,000 from its reserved for operating capital account
35.19 to its undesignated general fund balance.

35.20 Subd. 3. **East Central school district.** Notwithstanding Minnesota Statutes, section
35.21 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No.
35.22 2580, East Central, may transfer up to \$300,000 from its reserved for operating capital
35.23 account to its undesignated general fund balance.

35.24 Subd. 4. **Hills-Beaver Creek school district.** (a) Notwithstanding Minnesota
35.25 Statutes, section 123B.79 or 123B.80, on June 30, 2008, Independent School District No.
35.26 671, Hills-Beaver Creek, may transfer up to \$260,000 from its reserved for disabled
35.27 accessibility account to its undesignated general fund balance without making a levy
35.28 reduction.

35.29 (b) Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June
35.30 30, 2008, Independent School District No. 671, Hills-Beaver Creek, may transfer up to
35.31 \$100,000 from its reserved for operating capital account to its undesignated general fund
35.32 balance without making a levy reduction.

35.33 Subd. 5. **Rocori school district.** Notwithstanding Minnesota Statutes, section
35.34 123B.79 or 123B.80, on June 30, 2008, Independent School District No. 750, Rocori,

may transfer up to \$82,000 from its reserved for disabled accessibility account to its undesignated general fund balance without making a levy reduction.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 47. ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL YEAR 2009 ONLY.

A school district's general education revenue under Minnesota Statutes, section 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the district's adjusted marginal cost pupil units for that year.

Sec. 48. PRIORITY FOR NEW ALTERNATIVE COMPENSATION SCHOOL DISTRICTS AND CHARTER SCHOOLS, FISCAL YEARS 2009 TO 2010.

(a) Notwithstanding Minnesota Statutes, sections 122A.413; 122A.414; 122A.415; 122A.416; and 126C.10, subdivisions 34, 35, and 36, for fiscal years 2009 and 2010 only, for school sites, school districts, or charter schools that had not applied as of March 20, 2008, to participate in the alternative teacher pay program, the Department of Education must authorize alternative compensation funding for applicants according to paragraphs (b) and (c).

(b) For fiscal year 2009, the Department of Education shall qualify eligible school sites, school districts, and charter schools for alternative compensation revenue in the order of receipt of applications received after March 20, 2008, provided that the total alternative compensation aid entitlement authorized under this paragraph does not exceed \$11,397,000.

(c) In addition to the amounts authorized in paragraph (b), for fiscal year 2010, the Department of Education shall qualify eligible school sites, school districts, and charter schools for alternative compensation revenue in the order of receipt of applications received after March 20, 2008, provided that the total alternative compensation aid entitlement authorized under this paragraph does not exceed \$2,899,000.

Sec. 49. VIRGINIA SCHOOL DISTRICT; EMERGENCY REPAIRS.

Independent School District No. 701, Virginia, may levy up to \$100,000 for emergency facilities repairs. This authority is in addition to any other levy authority granted to the district. The levy proceeds received under this section must be recognized in fiscal year 2009.

EFFECTIVE DATE. This section is effective for taxes payable in 2009 only.

Sec. 50. **EQUALIZING FACTORS.**

The commissioner shall adjust each referendum market value equalizing factor established under Minnesota Statutes, chapter 126C, by dividing the equalizing factor by the ratio of the statewide referendum market value as calculated using the definition of referendum market value that was in effect prior to the 2008 legislative session for assessment year 2008 to the statewide referendum market value that is in effect after the 2008 legislative session for that assessment year.

EFFECTIVE DATE. This section is effective for taxes levied in 2009, payable in 2010, and thereafter.

Sec. 51. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the Department of Education for the fiscal years designated.

Subd. 2. **Additional general education revenue.** For additional general education aid:

\$ 26,804,000 2009

This appropriation is in addition to any other appropriation for this purpose.

This 2009 appropriation includes \$0 for 2008 and \$26,804,000 for 2009.

Subd. 3. **Independent School District No. 239, Rushford-Peterson.** For school district flood enrollment impact aid as a result of the floods of August 2007.

\$ 158,000 2009

The base appropriation for fiscal year 2010 is \$158,000. The base appropriation for later years is zero.

The district must provide to the commissioner of education documentation of the additional pupil transportation costs and the number of pupils in average daily membership lost as a result of the flood.

Up to \$40,000 is for increased costs associated with transporting students as a result of the floods of August 2007.

Subd. 4. **Lancaster.** For a grant to Independent School District No. 356, Lancaster, to replace the loss of sparsity revenue:

\$ 100,000 2009

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38.3 Subd. 5. **Principal's Leadership Institute.** For a grant to the Principal's Leadership
38.4 Institute under Minnesota Statutes, section 122A.74:

38.6 This is a onetime appropriation.

38.9 \$ 17,000 2009

38.12 Subd. 7. **Minnesota Humanities Commission.** For a grant to the Minnesota
38.13 Humanities Commission.

38.15 This is a onetime appropriation.

38.17 (a) Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed for revenue
38.18 for fiscal year 2010 and later.

38.20 (c) Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3,
38.21 and 4, are repealed.

38.23 EDUCATION FORECAST ADJUSTMENTS

38.26 Subd. 2. **General education aid.** For general education aid under Minnesota
38.27 Statutes, section 126C.13, subdivision 4:

38.29	\$ 5,600,647,000	2008
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38.31 \$ 5,649,098,000 2009

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

39.1 The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and
39.2 ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

39.3 The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and
39.4 ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

39.5 Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 3, is amended to read:

39.6 Subd. 3. **Referendum tax base replacement aid.** For referendum tax base
39.7 replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

39.8 \$ ~~870,000~~ 861,000 2008

39.9 The 2008 appropriation includes ~~\$870,000~~ \$861,000 for 2007 and \$0 for 2008.

39.10 Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 4, is amended to read:

39.11 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending
39.12 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
39.13 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

39.14 \$ ~~95,000~~ 48,000 2008

39.15 \$ ~~97,000~~ 50,000 2009

39.16 Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 5, is amended to read:

39.17 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
39.18 127A.49:

39.19 ~~1,343,000~~
39.20 \$ 1,333,000 2008

39.21 ~~1,347,000~~
39.22 \$ 1,629,000 2009

39.23 The 2008 appropriation includes \$76,000 for 2007 and ~~\$1,267,000~~ \$1,257,000
39.24 for 2008.

39.25 The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~
39.26 \$1,490,000 for 2009.

39.27 Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 6, is amended to read:

39.28 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota
39.29 Statutes, section 123A.485:

39.30 \$ ~~565,000~~ 240,000 2008

39.31 \$ ~~212,000~~ 339,000 2009

39.32 The 2008 appropriation includes \$43,000 for 2007 and ~~\$522,000~~ \$197,000 for 2008.

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

40.1 The 2009 appropriation includes ~~\$57,000~~ \$21,000 for 2008 and ~~\$155,000~~ \$318,000

40.2 for 2009.

40.3 Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 7, is amended to read:

40.4 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

40.5 Minnesota Statutes, sections 123B.40 to 123B.43, and 123B.87:

40.6		16,290,000		
40.7	\$	<u>15,601,000</u>	.....	2008
40.8		16,620,000		
40.9	\$	16,608,000	.....	2009

40.10 The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~
40.11 \$14,387,000 for 2008.

40.12 The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~
40.13 \$15,010,000 for 2009.

40.14 Sec. 7. Laws 2007, chapter 146, article 1, section 24, subdivision 8, is amended to read:

40.15 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
40.16 under Minnesota Statutes, section 123B.92, subdivision 9:

40.17		21,551,000		
40.18	\$	<u>20,755,000</u>	.....	2008
40.19		21,392,000		
40.20	\$	21,007,000	.....	2009

40.21 The 2008 appropriation includes \$2,124,000 for 2007 and ~~\$19,427,000~~ \$18,631,000

40.22 for 2008.

40.23 The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~

40.24 \$18,937,000 for 2009.

40.25 **B. EDUCATION EXCELLENCE**

40.26 Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 2, is amended to read:

40.27 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
40.28 Statutes, section 124D.11, subdivision 4:

40.29		31,875,000		
40.30	\$	<u>32,817,000</u>	.....	2008
40.31		36,193,000		
40.32	\$	37,527,000	.....	2009

40.33 The 2008 appropriation includes \$2,814,000 for 2007 and ~~\$29,061,000~~ \$30,003,000

40.34 for 2008.

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

41.1 The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~
41.2 \$34,194,000 for 2009.

41.3 Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 3, is amended to read:

41.4 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid
41.5 under Minnesota Statutes, section 124D.11:

41.6		1,896,000		
41.7	\$	<u>1,801,000</u>	.....	2008
41.8		2,161,000		
41.9	\$	<u>1,987,000</u>	.....	2009

41.10 The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~
41.11 \$1,562,000 for 2008.

41.12 The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~
41.13 \$1,814,000 for 2009.

41.14 Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 4, is amended to
41.15 read:

41.16 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
41.17 124D.86, subdivision 5:

41.18		61,769,000		
41.19	\$	<u>59,036,000</u>	.....	2008
41.20		61,000,000		
41.21	\$	<u>62,448,000</u>	.....	2009

41.22 The 2008 appropriation includes \$5,824,000 for 2007 and ~~\$55,945,000~~ \$53,212,000
41.23 for 2008.

41.24 The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~
41.25 \$56,536,000 for 2009.

41.26 Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 6, is amended to
41.27 read:

41.28 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
41.29 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
41.30 section 124D.87:

41.31		9,639,000		
41.32	\$	<u>9,901,000</u>	.....	2008
41.33		11,567,000		
41.34	\$	<u>11,881,000</u>	.....	2009

Sec. 12. Laws 2007, chapter 146, article 2, section 46, subdivision 9, is amended to read:

Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

	2,238,000		
\$	<u>2,207,000</u>	.....	2008
	2,422,000		
\$	<u>2,392,000</u>	.....	2009

The 2008 appropriation includes \$204,000 for 2007 and ~~\$2,034,000~~ \$2,003,000 for 2008.

The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~ \$2,170,000 for 2009.

C. SPECIAL PROGRAMS

Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

	1,538,000		
\$	<u>2,086,000</u>	.....	2008
	1,729,000		
\$	<u>2,282,000</u>	.....	2009

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	254,000 <u>207,000</u>	.....	2008
\$	284,000 <u>227,000</u>	.....	2009

The 2008 appropriation includes \$22,000 for 2007 and ~~\$232,000~~ \$185,000 for 2008.

The 2009 appropriation includes ~~\$25,000~~ \$20,000 for 2008 and ~~\$259,000~~ \$207,000 for 2009.

D. FACILITIES AND TECHNOLOGY

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

43.1 Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, is amended to
43.2 read:

43.3 Subd. 2. **Health and safety revenue.** For health and safety aid according to
43.4 Minnesota Statutes, section 123B.57, subdivision 5:

43.5 ~~\$190,000~~ 254,000 2008

43.6 ~~\$179,000~~ 103,000 2009

43.7 The 2008 appropriation includes \$20,000 for 2007 and ~~\$170,000~~ \$234,000 for 2008.

43.8 The 2009 appropriation includes ~~\$18,000~~ \$26,000 for 2008 and ~~\$161,000~~ \$77,000
43.9 for 2009.

43.10 Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 3, is amended to
43.11 read:

43.12 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
43.13 Statutes, section 123B.53, subdivision 6:

43.14 ~~14,813,000~~
43.15 \$ 14,814,000 2008

43.16 ~~11,124,000~~
43.17 \$ 9,109,000 2009

43.18 The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~
43.19 \$13,048,000 for 2008.

43.20 The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~
43.21 \$7,660,000 for 2009.

43.22 Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 6, is amended to
43.23 read:

43.24 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
43.25 Minnesota Statutes, section 123B.591, subdivision 4:

43.26 ~~3,290,000~~
43.27 \$ 3,232,000 2008

43.28 ~~2,667,000~~
43.29 \$ 2,627,000 2009

43.30 The 2008 appropriation includes \$0 for 2007 and ~~\$3,290,000~~ \$3,232,000 for 2008.

43.31 The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~
43.32 \$2,268,000 for 2009.

43.33 Sec. 18. Laws 2007, chapter 146, article 4, section 16, subdivision 8, is amended to
43.34 read:

Subd. 8. **School technology and operating capital aid grants.** For school technology and operating capital grants under section 11:

38,145,000
\$ <u>38,236,000</u> 2008
52,676,000
\$ <u>52,454,000</u> 2009

This is a onetime appropriation.

E. NUTRITION AND ACCOUNTING

Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

12,022,000
\$ <u>12,094,000</u> 2008
12,166,000
\$ <u>12,394,000</u> 2009

Sec. 20. Laws 2007, chapter 146, article 5, section 13, subdivision 4, is amended to read:

Subd. 4. **Summer food service replacement aid.** For summer food service replacement aid under Minnesota Statutes, section 124D.119:

\$ 150,000 <u>127,000</u> 2008
\$ 150,000 2009

F. EARLY CHILDHOOD AND ADULT PROGRAMS

Sec. 21. Laws 2007, chapter 146, article 9, section 17, subdivision 2, is amended to read:

Subd. 2. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

21,106,000
\$ <u>21,092,000</u> 2008
29,601,000
\$ <u>29,324,000</u> 2009

The 2008 appropriation includes \$1,796,000 for 2007 and ~~\$19,310,000~~ \$19,296,000 for 2008.

45.1 The 2009 appropriation includes ~~\$2,145,000~~ \$2,144,000 for 2008 and ~~\$27,456,000~~
45.2 \$27,180,000 for 2009.

45.3 Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 3, is amended to
45.4 read:

45.5 Subd. 3. **School readiness.** For revenue for school readiness programs under
45.6 Minnesota Statutes, sections 124D.15 and 124D.16:

45.7		9,995,000		
45.8	\$	<u>9,987,000</u>	.....	2008
45.9	\$	10,095,000	.....	2009

45.10 The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for
45.11 2008.

45.12 The 2009 appropriation includes \$1,009,000 for 2008 and \$9,086,000 for 2009.

45.13 Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 8, is amended to
45.14 read:

45.15 Subd. 8. **Community education aid.** For community education aid under
45.16 Minnesota Statutes, section 124D.20:

45.17		1,307,000		
45.18	\$	<u>1,299,000</u>	.....	2008
45.19	\$	816,000 <u>796,000</u>	.....	2009

45.20 The 2008 appropriation includes \$195,000 for 2007 and ~~\$1,112,000~~ \$1,104,000
45.21 for 2008.

45.22 The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~
45.23 \$674,000 for 2009.

45.24 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 9, is amended to
45.25 read:

45.26 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
45.27 programs under Minnesota Statutes, section 124D.56:

45.28	\$	710,000 <u>709,000</u>	.....	2008
45.29	\$	710,000	.....	2009

45.30 The 2008 appropriation includes ~~\$71,000~~ \$70,000 for 2007 and \$639,000 for 2008.

45.31 The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

45.32 School districts operating existing adults with disabilities programs that are not fully
45.33 funded shall receive full funding for the program beginning in fiscal year 2008 before the
45.34 commissioner awards grants to other districts.

Sec. 25. Laws 2007, chapter 146, article 9, section 17, subdivision 13, is amended to read:

Subd. 13. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

	40,347,000		
\$	<u>40,344,000</u>	.....	2008
	41,745,000		
\$	<u>41,712,000</u>	.....	2009

The 2008 appropriation includes \$3,759,000 for 2007 and ~~\$36,588,000~~ \$36,585,000 for 2008.

The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,680,000~~ \$37,647,000 for 2009.

ARTICLE 4
HIGHER EDUCATION

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations from the general fund made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>Minnesota Office of Higher Education</u>	\$ <u>-0-</u>	\$ <u>(1,381,000)</u>	\$ <u>(1,381,000)</u>
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	<u>(1,000,000)</u>	<u>(6,880,000)</u>	<u>(7,880,000)</u>
<u>Board of Regents of the University of Minnesota</u>	<u>(6,150,000)</u>	<u>(6,150,000)</u>	<u>(12,300,000)</u>
<u>Total</u>	\$ <u>(7,150,000)</u>	\$ <u>(14,411,000)</u>	\$ <u>(21,561,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

47.1					<u>APPROPRIATIONS</u>
47.2					<u>Available for the Year</u>
47.3					<u>Ending June 30</u>
47.4					<u>2008</u> <u>2009</u>
47.5	Sec. 3. <u>MINNESOTA OFFICE OF HIGHER</u>				
47.6	<u>EDUCATION</u>				
47.7	<u>Subdivision 1. Total Appropriation</u>	\$	-0-	\$	<u>(1,381,000)</u>
47.8	<u>The amounts that must be reduced for</u>				
47.9	<u>each purpose are specified in the following</u>				
47.10	<u>subdivisions.</u>				
47.11	<u>Subd. 2. Interstate Tuition Reciprocity</u>		-0-		<u>(250,000)</u>
47.12	<u>Subd. 3. Minnesota College Savings Plan</u>		-0-		<u>(1,020,000)</u>
47.13	<u>The budget base for the Minnesota college</u>				
47.14	<u>savings plan for fiscal year 2010 is</u>				
47.15	<u>\$1,020,000.</u>				
47.16	<u>Subd. 4. Agency Administration</u>		-0-		<u>(111,000)</u>
47.17	<u>Subd. 5. Cancellation</u>				
47.18	<u>By June 30, 2009, the commissioner of</u>				
47.19	<u>finance shall cancel to the general fund</u>				
47.20	<u>\$90,000 of the appropriation in Laws 2005,</u>				
47.21	<u>chapter 107, article 1, section 2, subdivision</u>				
47.22	<u>12, to upgrade computer program application</u>				
47.23	<u>software related to state grant awards.</u>				
47.24	<u>Subd. 6. Transfers In</u>				
47.25	<u>The commissioner of finance must transfer</u>				
47.26	<u>\$18,000 to the general fund from the</u>				
47.27	<u>technology carryforward account in the</u>				
47.28	<u>special revenue fund by June 30, 2008.</u>				
47.29	<u>The commissioner of finance must transfer</u>				
47.30	<u>\$100,000 to the general fund from the private</u>				
47.31	<u>institutions regulation accounts in the special</u>				
47.32	<u>revenue fund by June 30, 2009.</u>				

48.1 **Sec. 4. BOARD OF TRUSTEES OF THE**
48.2 **MINNESOTA STATE COLLEGES AND**
48.3 **UNIVERSITIES**

48.4	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(1,000,000)</u>	<u>\$</u>	<u>(6,880,000)</u>
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48.5 The amounts that must be reduced or
48.6 added for each purpose are specified in the
48.7 following subdivisions.

48.8	<u>Subd. 2. General Reduction</u>	<u>(1,000,000)</u>	<u>(7,600,000)</u>
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48.9 Of this reduction, \$5,000,000 is from
48.10 the appropriations for technology and
48.11 \$1,000,000 is from the central reserves.
48.12 The remainder is from the Office of the
48.13 Chancellor budget.

48.14 The reductions in this subdivision must not
48.15 result in reductions to any of the campuses
48.16 of the Minnesota State Colleges and
48.17 Universities, must not reduce the technology
48.18 expenditures or grants to the campuses, and
48.19 must not increase any assessments to the
48.20 campuses from the Office of the Chancellor.

48.21 The Board of Trustees of the Minnesota State
48.22 Colleges and Universities must reallocate
48.23 \$9,000,000 of state appropriations to reduce
48.24 student tuition increases to two percent
48.25 at state colleges and three percent at state
48.26 universities and must not increase student
48.27 fees beyond the amount that is currently
48.28 planned for the next academic year.

48.29 The legislature intends that by reducing
48.30 tuition increases, the student's share of
48.31 educational costs are decreased and the
48.32 state's share of educational costs are
48.33 increased, consistent with the funding policy
48.34 in Minnesota Statutes, section 135A.01. The
48.35 legislature's goal is to begin progress over the

49.1	<u>next eight years to achieve a two-thirds state</u>		
49.2	<u>share of educational costs and a one-third</u>		
49.3	<u>student share as specified in Minnesota</u>		
49.4	<u>Statutes, section 135A.01.</u>		
49.5	<u>From the appropriation in Laws 2007, chapter</u>		
49.6	<u>144, article 1, section 4, subdivision 1, the</u>		
49.7	<u>Board of Trustees shall allocate funding to</u>		
49.8	<u>campuses that lost revenue as a result of the</u>		
49.9	<u>decision in this law to eliminate nonresident</u>		
49.10	<u>undergraduate tuition at specified campuses.</u>		
49.11	<u>Subd. 3. Power of You Program</u>	<u>-0-</u>	<u>600,000</u>
49.12	<u>This appropriation is for the continuation of</u>		
49.13	<u>the power of you program at Metropolitan</u>		
49.14	<u>State University, Minneapolis Community</u>		
49.15	<u>and Technical College, and St. Paul College</u>		
49.16	<u>under Minnesota Statutes, section 136F.19.</u>		
49.17	<u>The board of trustees shall allocate the</u>		
49.18	<u>power of you funds to Metropolitan State</u>		
49.19	<u>University, Minneapolis Community and</u>		
49.20	<u>Technical College, and St. Paul College.</u>		
49.21	<u>The funds must be used for financial aid</u>		
49.22	<u>for eligible students. This appropriation is</u>		
49.23	<u>available to the extent it is matched with an</u>		
49.24	<u>equal amount of nonstate money.</u>		
49.25	<u>This is a onetime appropriation.</u>		
49.26	<u>Subd. 4. Teachers of Diverse Backgrounds</u>		
49.27	<u>Financial Aid Pilot Program</u>	<u>-0-</u>	<u>120,000</u>
49.28	<u>For a teachers of diverse backgrounds</u>		
49.29	<u>financial aid pilot program, to be</u>		
49.30	<u>implemented by (1) Winona State University</u>		
49.31	<u>in partnership with the Rochester school</u>		
49.32	<u>district and (2) St. Cloud State University</u>		
49.33	<u>in partnership with the Robbinsdale school</u>		
49.34	<u>district, to increase the diversity of teachers</u>		

50.1 in school districts with a significant
50.2 concentration of minority students and attain
50.3 the state's interest in enhancing the academic
50.4 achievement of diverse student populations.

50.5 A student is eligible to receive a grant
50.6 under this subdivision if the student has a
50.7 demonstrated interest and knowledge of
50.8 diverse cultures. A preference must be given
50.9 to a student whose parents did not attend
50.10 college.

50.11 Grants shall be made to eligible students
50.12 for the student's junior and senior years in a
50.13 teacher preparation program. Priority shall
50.14 be given to students who are eligible for a
50.15 Pell grant or a state grant under Minnesota
50.16 Statutes, section 136A.121. Applications
50.17 must be submitted in the form and manner
50.18 and with the information required by
50.19 Winona State University and St. Cloud State
50.20 University.

50.21 Within the limits of the appropriation,
50.22 a student may receive a grant of up to
50.23 \$5,000 each year for a maximum of two
50.24 academic years or the equivalent if the
50.25 student continues to make satisfactory
50.26 progress, as defined by the institution, toward
50.27 a baccalaureate degree in education.

50.28 This is a onetime appropriation.

50.29 Subd. 5. **System Base Reduced**

50.30 The system base is reduced by \$7,700,000
50.31 each year in fiscal years 2010 and 2011.

50.32 Sec. 5. **BOARD OF REGENTS OF THE**
50.33 **UNIVERSITY OF MINNESOTA**

50.34 Subdivision 1. **Total Appropriation** \$ (6,150,000) \$ (6,150,000)

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

51.1 The amounts that must be reduced or
51.2 added for each purpose are specified in the
51.3 following subdivisions.

51.4 Subd. 2. **General Reduction** (6,150,000) (6,150,000)

51.5 Subd. 3. **Restriction on Tuition Increase**

51.6 The Board of Regents must not increase
51.7 student tuition or fees beyond the amount
51.8 currently planned for the 2008-2009
51.9 academic year.

51.10 Subd. 4. **System Base Reduced**

51.11 The system base is reduced by \$8,700,000
51.12 in fiscal year 2010 and \$8,700,000 in fiscal
51.13 year 2011.

51.14 Sec. 6. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

51.15 Subd. 8. **Resident student.** "Resident student" means a student who meets one of
51.16 the following conditions:

51.17 (1) a student who has resided in Minnesota for purposes other than postsecondary
51.18 education for at least 12 months without being enrolled at a postsecondary educational
51.19 institution for more than five credits in any term;

51.20 (2) a dependent student whose parent or legal guardian resides in Minnesota at the
51.21 time the student applies;

51.22 (3) a student who graduated from a Minnesota high school, if the student was a
51.23 resident of Minnesota during the student's period of attendance at the Minnesota high
51.24 school and the student is physically attending a Minnesota postsecondary educational
51.25 institution;

51.26 (4) a student who, after residing in the state for a minimum of one year, earned a
51.27 high school equivalency certificate in Minnesota;

51.28 (5) a member, spouse, or dependent of a member of the armed forces of the United
51.29 States stationed in Minnesota on active federal military service as defined in section
51.30 190.05, subdivision 5c;

51.31 (6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran
51.32 is a Minnesota resident;

52.1 (7) a person or spouse of a person who relocated to Minnesota from an area that
52.2 is declared a presidential disaster area within the preceding 12 months if the disaster
52.3 interrupted the person's postsecondary education; or

52.4 ~~(7)~~ (8) a person defined as a refugee under United States Code, title 8, section
52.5 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has
52.6 continued to reside in Minnesota.

52.7 Sec. 7. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a,
52.8 is amended to read:

52.9 Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the
52.10 office to be more than sufficient to fund projected grant demand in the second year of the
52.11 biennium, the office may increase the living and miscellaneous expense allowance in the
52.12 second year of the biennium by up to an amount that retains sufficient appropriations
52.13 to fund the projected grant demand. The adjustment may be made one or more times.
52.14 In making the determination that there are more than sufficient funds, the office shall
52.15 balance the need for sufficient resources to meet the projected demand for grants with the
52.16 goal of fully allocating the appropriation for state grants. An increase in the living and
52.17 miscellaneous expense allowance under this subdivision does not carry forward into a
52.18 subsequent biennium. ~~This subdivision expires June 30, 2009.~~

52.19 Sec. 8. **[136F.19] POWER OF YOU PROGRAM.**

52.20 Subdivision 1. **Establishment.** The board shall establish and operate through
52.21 each campus a power of you program at Metropolitan State University, Minneapolis
52.22 Community and Technical College, and St. Paul College. The program shall, to the
52.23 extent of available funding, make grants to eligible students. Each campus shall develop
52.24 partnerships with high schools and school districts as part of the program. The board may
52.25 accept and expend private funding for the program.

52.26 Subd. 2. **Grants.** A campus shall establish procedures to select recipients of grants.
52.27 A grant award shall be equal to the amount remaining after deducting the student's Pell
52.28 grant award and state grant award from the institution's tuition and mandatory fee charges.

52.29 Subd. 3. **Eligible students.** A student is eligible to receive a grant under this section
52.30 if the student:

52.31 (1) is a graduate from a public Minneapolis or St. Paul high school;

52.32 (2) is enrolled full time immediately after graduation;

52.33 (3) was a participant in a power of you program as a high school student; and

52.34 (4) is eligible for a Pell grant or a state grant under section 136A.121.

53.1 Subd. 4. **Information.** The institutions implementing the power of you program
53.2 shall disseminate information to all MnSCU institutions about their experience in
53.3 implementing the program.

53.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

53.5 Sec. 9. Minnesota Statutes 2006, section 136G.11, subdivision 1, is amended to read:

53.6 Subdivision 1. **Matching grant qualification.** By ~~June 30~~ July 1 of each year, a
53.7 state matching grant must be added to each account established under the program if
53.8 the following conditions are met:

53.9 (1) the contributor applies, in writing in a form prescribed by the director, for a
53.10 matching grant;

53.11 (2) a minimum contribution of \$200 was made during the preceding calendar year;

53.12 (3) the beneficiary's family meets Minnesota college savings plan residency
53.13 requirements; and

53.14 (4) the family income of the beneficiary did not exceed \$80,000.

53.15 **EFFECTIVE DATE.** This section is effective July 1, 2008, for payments due July
53.16 1, 2009, and thereafter.

53.17 Sec. 10. Minnesota Statutes 2006, section 299A.45, subdivision 1, is amended to read:

53.18 Subdivision 1. **Eligibility.** ~~Following certification~~ A person is eligible to receive
53.19 educational benefits under this section if the person:

53.20 (1) is certified under section 299A.44 and in compliance with this section and rules
53.21 of the commissioner of public safety and the Minnesota Office of Higher Education;

53.22 (2) is enrolled in an undergraduate degree or certificate program after June 30, 1990,
53.23 at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

53.24 (3) has not receive a baccalaureate degree or been enrolled full time for ten semesters
53.25 or the equivalent, except that a student who withdraws from enrollment for active military
53.26 service is entitled to an additional semester or the equivalent of eligibility; and

53.27 (4) is related in one of the following ways to a public safety officer killed in the
53.28 line of duty on or after January 1, 1973:

53.29 (i) as a dependent ~~children~~ child less than 23 years of age and the;

53.30 (ii) as a surviving spouse of a public safety officer killed in the line of duty on
53.31 or after January 1, 1973, are eligible to receive educational benefits under this section.

53.32 ~~To qualify for an award, they must be enrolled in undergraduate degree or certificate~~
53.33 ~~programs after June 30, 1990, at an eligible Minnesota institution as provided in section~~

~~136A.101, subdivision 4. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. Persons who have received a baccalaureate degree or have been enrolled full time or the equivalent of ten semesters or the equivalent, whichever occurs first, are no longer eligible.; or~~
(iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Sec. 11. Laws 2007, chapter 144, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. State Grants	147,400,000	144,138,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

For the biennium, the tuition maximum for students in four-year programs is \$9,838 in each year for students in four-year programs, and for students in two-year programs, is \$6,114 in the first year and \$5,808 in the second year.

This appropriation sets the living and miscellaneous expense allowance at \$5,900 ~~each~~ the first year and \$6,200 the second year.

Sec. 12. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

Subd. 5. University of Minnesota and Mayo Foundation Partnership	25,000,000	-0-
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For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. For fiscal years 2010 and 2011, the base shall be \$8,000,000 in each year. This appropriation is available until expended. An annual report on the

expenditure of these funds must be submitted to the governor, the chair of the house bioscience and emerging technologies committee, and the chairs of the senate and house committees responsible for higher education and economic development by June 30 of each fiscal year. At a minimum, the report must include information on the number of patents, disclosures, and licensing agreements; the amount generated in royalties and how the royalty money is spent; and the number of companies created, where they are located, how many jobs are created, and the amount of venture capital raised.

ARTICLE 5
ENVIRONMENT AND NATURAL RESOURCES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$	(328,000)	\$ (2,728,000)	\$ (3,056,000)
<u>Environmental</u>		-0-	134,000	134,000
<u>Natural Resources</u>		50,000	2,523,000	2,573,000
<u>Game and Fish</u>		123,000	631,000	754,000
<u>Total</u>	\$	(155,000)	\$ 560,000	\$ 405,000

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and

56.1 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
56.2 day following final enactment.

56.3	<u>APPROPRIATIONS</u>	
56.4	<u>Available for the Year</u>	
56.5	<u>Ending June 30</u>	
56.6	<u>2008</u>	<u>2009</u>

56.7	Sec. 3. <u>POLLUTION CONTROL AGENCY</u>	\$	<u>-0-</u>	\$	<u>(469,000)</u>
56.8	<u>Appropriations by Fund</u>				
56.9	<u>General</u>		<u>-0-</u>		<u>(603,000)</u>
56.10	<u>Environmental Fund</u>		<u>-0-</u>		<u>134,000</u>

56.11 \$623,000 is a reduction in 2009. The
56.12 commissioner shall make the reduction to
56.13 administrative activities in a way to minimize
56.14 the effect to program operations.

56.15 \$134,000 in 2009 is appropriated from the
56.16 environmental fund for the development
56.17 and adoption of rules to regulate emission
56.18 standards of motor vehicles sold in this state
56.19 as authorized under the federal Clean Air
56.20 Act, United States Code, title 42, section
56.21 7507. The base for fiscal years 2010 and
56.22 2011 is \$114,000.

56.23 \$20,000 in 2009 is appropriated from the
56.24 general fund for the following purposes:

56.25 (1) the development of recommendations
56.26 for establishing a comprehensive product
56.27 stewardship approach to reducing
56.28 environmental and health risks posed by
56.29 the use or disposal of products. These
56.30 recommendations shall be submitted to
56.31 the chairs and ranking minority members
56.32 of the senate and house committees with
56.33 jurisdiction over environmental policy
56.34 and environmental finance by January
56.35 15, 2009. The recommendations shall

57.1 include, at a minimum: a set of criteria to
57.2 be used to evaluate products proposed for
57.3 product stewardship solutions; a process for
57.4 designating products for product stewardship
57.5 solutions and the role the legislature would
57.6 play in that process; typical components
57.7 of product stewardship plans; options to
57.8 facilitate the creation of industry-managed
57.9 stewardship management organizations;
57.10 methods to identify and monitor progress
57.11 toward stewardship performance goals for
57.12 specific products; and strategies to implement
57.13 the use of standards, certifications, and
57.14 eco-labels to promote environmentally
57.15 preferable products. To the extent possible,
57.16 the recommendations must be consistent
57.17 with existing product stewardship programs
57.18 in North America. In developing the
57.19 recommendations, the commissioner must
57.20 consult with manufacturers, retailers,
57.21 recyclers, environmental advocacy
57.22 organizations, local units of government, and
57.23 other interested parties;
57.24 (2) a report to be submitted by December
57.25 1, 2008, to the chairs and ranking minority
57.26 members of the senate and house committees
57.27 with primary jurisdiction over solid waste
57.28 policy, analyzing the availability of collection
57.29 and processing capacity in the seven-county
57.30 metropolitan area for the recycling of
57.31 construction and demolition waste. The
57.32 report must recommend a percentage of the
57.33 total weight of construction and demolition
57.34 waste generated in the seven-county
57.35 metropolitan area that represents an
57.36 achievable but aggressive recycling goal that

58.1 can be reached in 2012 and must include an
58.2 analysis of the economic and environmental
58.3 costs and benefits of reaching that goal; and
58.4 (3) a report to be submitted by January 1,
58.5 2009, to the chairs and ranking minority
58.6 members of the senate and house committees
58.7 with primary jurisdiction over solid waste
58.8 policy, that recommends options for
58.9 achieving the following goals by 2020: an
58.10 increase in county recycling rates to 60
58.11 percent of the weight of total solid waste
58.12 generation; and the diversion, prior to
58.13 delivery to landfills and waste-to-energy
58.14 plants, and recycling and reuse of an amount
58.15 of source-separated compostable materials
58.16 equal to 15 percent of total solid waste
58.17 generation. The commissioner must obtain
58.18 input from counties inside and outside the
58.19 seven-county metropolitan area, recycling
58.20 and composting facilities, waste haulers,
58.21 environmental organizations, and other
58.22 interested parties in preparing the report.
58.23 The report must also contain estimates of
58.24 the economic costs of implementing the
58.25 strategies. This is a onetime appropriation.

58.26 Sec. 4. NATURAL RESOURCES

58.27	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(155,000)</u>	<u>\$</u>	<u>594,000</u>
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58.28	<u>Appropriations by Fund</u>				
58.29	<u>General</u>	<u>(328,000)</u>	<u>(2,260,000)</u>		
58.30	<u>Natural Resources</u>	<u>50,000</u>	<u>2,223,000</u>		
58.31	<u>Game and Fish</u>	<u>123,000</u>	<u>631,000</u>		

58.32 The appropriation additions or reductions
58.33 for each purpose are shown in the following
58.34 subdivisions.

58.35	<u>Subd. 2. Lands and Minerals</u>	<u>-0-</u>	<u>(225,000)</u>
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59.1	<u>Appropriations by Fund</u>		
59.2	<u>General</u>	<u>-0-</u>	<u>(425,000)</u>
59.3	<u>Natural Resources</u>	<u>-0-</u>	<u>200,000</u>
59.4	<u>\$200,000 in 2009 is a general reduction in</u>		
59.5	<u>lands and minerals administration.</u>		
59.6	<u>\$124,000 in 2009 is a reduction from the</u>		
59.7	<u>appropriation for iron ore cooperative</u>		
59.8	<u>agreements.</u>		
59.9	<u>\$101,000 in 2009 is a reduction from the</u>		
59.10	<u>appropriation for minerals diversification.</u>		
59.11	<u>\$200,000 in 2009 is appropriated from the</u>		
59.12	<u>natural resources fund for the administration</u>		
59.13	<u>and monitoring of permits to mine</u>		
59.14	<u>ferrous metals under Minnesota Statutes,</u>		
59.15	<u>section 93.481. By January 15, 2009,</u>		
59.16	<u>the commissioner shall report to the</u>		
59.17	<u>legislature and the chairs of the senate and</u>		
59.18	<u>house committees with jurisdiction over</u>		
59.19	<u>environment and natural resources finance</u>		
59.20	<u>on the establishment of a permit to mine</u>		
59.21	<u>application fee schedule that is based on</u>		
59.22	<u>the actual costs of issuing and monitoring</u>		
59.23	<u>individual permits and any necessary</u>		
59.24	<u>legislation needed to cover the costs of</u>		
59.25	<u>issuing and monitoring the permits for the</u>		
59.26	<u>next biennium.</u>		
59.27	<u>Subd. 3. Water Resource Management</u>	<u>(98,000)</u>	<u>10,000</u>
59.28	<u>Appropriations by Fund</u>		
59.29	<u>General</u>	<u>(98,000)</u>	<u>(90,000)</u>
59.30	<u>Natural Resources</u>	<u>-0-</u>	<u>100,000</u>
59.31	<u>\$38,000 is a reduction in 2009 attributable to</u>		
59.32	<u>the modification of reporting requirements</u>		
59.33	<u>under Minnesota Statutes, section 103A.43.</u>		

60.1 By January 15, 2009, the Mississippi
60.2 Headwaters Board, established under
60.3 Minnesota Statutes, section 103F.367, shall
60.4 submit a report to the chairs of the senate
60.5 and house committees and divisions with
60.6 jurisdiction over the environment and natural
60.7 resources on how the board will meet its
60.8 responsibility to protect and enhance the
60.9 Mississippi River and related shoreland as
60.10 required by Minnesota Statutes, section
60.11 103F.367. In preparing the report, the
60.12 Mississippi Headwaters Board shall hold two
60.13 public input meetings in the area.

60.14 \$100,000 in 2009 is from the water recreation
60.15 account in the natural resources fund for
60.16 rulemaking on structures in public waters.

60.17 This is a onetime appropriation.

60.18 \$22,000 in 2009 is a reduction from the
60.19 appropriation for ring dikes under Minnesota
60.20 Statutes, section 103F.161.

60.21 \$30,000 is a reduction in 2009 from the
60.22 appropriation for grants associated with the
60.23 implementation of the Red River mediation
60.24 agreement.

60.25 \$98,000 is a reduction in 2008 from a
60.26 onetime appropriation for impaired waters.

60.27	<u>Subd. 4. Forest Management</u>	<u>-0-</u>	<u>250,000</u>
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60.28 \$53,000 in 2009 is for the Forest Resources
60.29 Council to conduct a study of options and
60.30 make recommendations to the legislature
60.31 for addressing the fragmentation and
60.32 parcelization of large blocks of private
60.33 forest land in the state. This is a onetime
60.34 appropriation.

61.1 \$197,000 in 2009 is for a grant to the
61.2 University of Minnesota for the Interagency
61.3 Information Cooperative to develop a
61.4 common forest inventory format describing
61.5 key attributes of Minnesota's public forest
61.6 land base, growth models for managed forest
61.7 stands, a forest wildlife habitat model format,
61.8 and an information database on the state's
61.9 family forest ownership.

61.10	<u>Subd. 5. Parks and Recreation Management</u>	<u>50,000</u>	<u>-0-</u>
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61.11	<u>Appropriations by Fund</u>		
61.12	<u>General</u>	<u>-0-</u>	<u>(220,000)</u>
61.13	<u>Natural Resources</u>	<u>50,000</u>	<u>220,000</u>

61.14 \$220,000 in 2009 is a reduction for parks and
61.15 recreation management.

61.16 \$220,000 in 2009 is from the state parks
61.17 account in the natural resources fund to
61.18 fund state park operations, maintenance,
61.19 resource management, educational services,
61.20 and associated support costs.

61.21 \$50,000 in 2008 from the natural resources
61.22 fund is for grants to local units of government
61.23 for up to 75 percent of the cost of meeting
61.24 the equipment requirements for public
61.25 pools under Minnesota Statutes, section
61.26 144.1222, subdivision 1d, paragraph (a), if
61.27 enacted. The maximum grant is \$10,000
61.28 per pool upgraded. Priority shall be given
61.29 to local government applicants seeking
61.30 assistance in installing a secondary suction
61.31 or drainage outlet for the public pool where
61.32 a fee is not charged for use of the pool.
61.33 The commissioner shall consult with the
61.34 commissioner of health in awarding the
61.35 grants. Of this amount, notwithstanding

62.1 the restrictions under Minnesota Statutes,
62.2 section 297A.94, \$25,000 is from the revenue
62.3 deposited in the natural resources fund
62.4 under Minnesota Statutes, section 297A.94,
62.5 paragraph (e), clause (3), and \$25,000 is
62.6 from the revenue deposited in the natural
62.7 resources fund under Minnesota Statutes,
62.8 section 297A.94, paragraph (e), clause
62.9 (4). This is a onetime appropriation and is
62.10 available until June 30, 2009.

62.11 Subd. 6. Trails and Waterways Management -0- 1,085,000

62.12	<u>Appropriations by Fund</u>		
62.13	<u>General</u>	<u>-0-</u>	<u>(50,000)</u>
62.14	<u>Natural Resources</u>	<u>-0-</u>	<u>1,135,000</u>

62.15 Beginning in 2009, \$300,000 each year is
62.16 from the all-terrain vehicle account in the
62.17 natural resources fund for monitoring and
62.18 maintenance of newly designated trails.
62.19 \$700,000 in 2009 is from the natural
62.20 resources fund for the development of
62.21 the Virginia site and connecting trails
62.22 for the Iron Range Off-Highway Vehicle
62.23 Recreation Area. Of this amount, \$400,000
62.24 is from the all-terrain vehicle account,
62.25 \$75,000 is from the off-highway motorcycle
62.26 account, \$125,000 is from the off-road
62.27 vehicle account, and \$100,000 is from
62.28 the snowmobile trails and enforcement
62.29 account. \$300,000 is from federal money
62.30 allocated for motorized recreation. This is
62.31 a onetime appropriation. The appropriation
62.32 is available until expended for the design
62.33 and development of an underpass for
62.34 off-highway vehicles on Highway 135 in the
62.35 city of Gilbert. None of these funds may be

63.1 expended until all property as identified in
63.2 the master plan has been acquired. This is a
63.3 onetime appropriation.

63.4 \$100,000 in 2009 is from the all-terrain
63.5 vehicle account in the natural resources
63.6 fund for a grant to the city of Hoyt Lakes to
63.7 convert the Moose Trail snowmobile trail
63.8 to a dual usage trail, so that it may also
63.9 be used as an Off-Highway Vehicle trail
63.10 connecting the city of Biwabik to the Iron
63.11 Range Off-Highway Vehicle Recreation
63.12 Area. This is a onetime appropriation.

63.13 \$50,000 in 2009 is a reduction from the
63.14 appropriation for nonmotorized trails.

63.15 \$35,000 in 2009 is from the all-terrain
63.16 vehicle account in the natural resources fund
63.17 for all-terrain vehicle grants-in-aid.

63.18	<u>Subd. 7. Fish and Wildlife Management</u>	<u>123,000</u>	<u>119,000</u>
63.19	<u>Appropriations by Fund</u>		
63.20	<u>General</u>	<u>-0-</u>	<u>(427,000)</u>
63.21	<u>Game and Fish</u>	<u>123,000</u>	<u>546,000</u>

63.22 \$329,000 in 2009 is a reduction for fish and
63.23 wildlife management.

63.24 \$46,000 in 2009 is a reduction in the
63.25 appropriation for the Minnesota Shooting
63.26 Sports Education Center.

63.27 \$52,000 in 2009 is a reduction for licensing.

63.28 \$123,000 in 2008 and \$246,000 in 2009 are
63.29 from the game and fish fund to implement
63.30 fish virus surveillance, prepare infrastructure
63.31 to handle possible outbreaks, and implement
63.32 control procedures for highest risk waters
63.33 and fish production operations. This is a
63.34 onetime appropriation.

64.1 Notwithstanding Minnesota Statutes, section
64.2 297A.94, paragraph (e), \$300,000 in 2009
64.3 is from the second year appropriation in
64.4 Laws 2007, chapter 57, article 1, section 4,
64.5 subdivision 7, from the heritage enhancement
64.6 account in the game and fish fund to
64.7 study, predesign, and design shooting sports
64.8 facilities at the Vermillion Highlands Wildlife
64.9 Management Area authorized by Laws 2007,
64.10 chapter 57, article 1, section 168. This is
64.11 available onetime only and is available until
64.12 expended.

64.13 \$300,000 in 2009 is appropriated from the
64.14 game and fish fund for only activities that
64.15 improve, enhance, or protect fish and wildlife
64.16 resources. This is a onetime appropriation.

64.17 Subd. 8. **Ecological Services** (230,000) -0-

64.18 \$230,000 in 2008 is a reduction from the
64.19 appropriation for impaired waters.

64.20 By June 30, 2008, the commissioner of
64.21 finance shall transfer \$594,000 from the
64.22 water recreation account in the natural
64.23 resources fund to the invasive species
64.24 account in the natural resources fund for
64.25 invasive species-related expenses.

64.26 Subd. 9. **Enforcement** -0- 110,000

64.27 Appropriations by Fund

64.28 <u>General</u>	-0-	(543,000)
64.29 <u>Natural Resources</u>	-0-	568,000
64.30 <u>Game and Fish</u>	-0-	85,000

64.31 \$543,000 in 2009 is a reduction in
64.32 enforcement operations. \$75,000 of
64.33 this reduction is for conservation officer
64.34 recruiting and \$85,000 of this reduction is
64.35 for advanced hunter education.

65.1	<u>\$383,000 in 2009 is from the water recreation</u>			
65.2	<u>account in the natural resources fund for</u>			
65.3	<u>enforcement operations.</u>			
65.4	<u>\$185,000 in 2009 is from the all-terrain</u>			
65.5	<u>vehicle account in the natural resources</u>			
65.6	<u>fund for grants to county law enforcement</u>			
65.7	<u>agencies for all-terrain vehicle enforcement</u>			
65.8	<u>and public education activities based on</u>			
65.9	<u>all-terrain vehicle use in the county.</u>			
65.10	<u>\$85,000 in 2009 is from the game and fish</u>			
65.11	<u>fund for advanced hunter education.</u>			
65.12	<u>Subd. 10. Operations Support</u>	<u>-0-</u>		<u>(755,000)</u>
65.13	<u>\$755,000 is a reduction to the department's</u>			
65.14	<u>administration costs in fiscal year 2009. The</u>			
65.15	<u>commissioner shall make these reductions</u>			
65.16	<u>throughout the agency through reduction</u>			
65.17	<u>in travel, administrative costs, and vacancy</u>			
65.18	<u>management.</u>			
65.19	<u>The department's administration base is</u>			
65.20	<u>reduced by \$255,000 in fiscal years 2010 and</u>			
65.21	<u>2011.</u>			
65.22	<u>Sec. 5. BOARD OF WATER AND SOIL</u>			
65.23	<u>RESOURCES</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 235,000</u>
65.24	<u>\$200,000 in 2009 is a reduction from the</u>			
65.25	<u>appropriation for county cooperative weed</u>			
65.26	<u>management programs.</u>			
65.27	<u>\$47,000 is a reduction in 2009 from the</u>			
65.28	<u>appropriation for cost-sharing contracts to</u>			
65.29	<u>establish native buffers. This is a onetime</u>			
65.30	<u>reduction.</u>			
65.31	<u>\$68,000 in 2009 is a reduction from the</u>			
65.32	<u>appropriation for the drainage assistance</u>			
65.33	<u>program.</u>			

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66.1 \$450,000 in 2009 is for implementing
66.2 rehabilitation, erosion, and sediment control
66.3 projects in the area included in DR-1717.
66.4 Funds appropriated or transferred and
66.5 waivers previously authorized to the board
66.6 for DR-1717 flood relief and recovery as
66.7 provided in Laws 2007, First Special Session
66.8 chapter 2, are available and applicable until
66.9 June 30, 2010. The board may use money
66.10 from this appropriation to implement federal
66.11 funding for projects in the area. The base
66.12 for 2010 is \$275,000 and the base for 2011
66.13 is \$0. This appropriation is available until
66.14 expended.

66.15 \$100,000 in 2009 is for a grant to the Star
66.16 Lake Board established in new Minnesota
66.17 Statutes, section 103B.702. The board may
66.18 use up to ten percent of the appropriation for
66.19 administration and initial meeting of the Star
66.20 Lake Board. This is a onetime appropriation.
66.21 To the extent possible prairie restorations
66.22 paid for in whole or in part by appropriations
66.23 to the board must be made using best
66.24 management practices for native prairie
66.25 restoration as defined in Minnesota Statutes,
66.26 section 84.02, subdivision 2.

66.27	Sec. 6. <u>METROPOLITAN COUNCIL</u>	\$	<u>-0-</u>	\$	<u>200,000</u>
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66.28	<u>Appropriations by Fund</u>		
66.29	<u>General</u>	<u>-0-</u>	<u>(100,000)</u>
66.30	Natural Resources	-0-	300,000

66.31 \$300,000 in fiscal year 2009 is reduced
66.32 from money appropriated from the general
66.33 fund for metropolitan area regional parks
66.34 maintenance and operations under Laws

67.1 2007, chapter 57, article 1, section 6. This is
67.2 a onetime reduction.
67.3 \$300,000 in fiscal year 2009 is appropriated
67.4 from the natural resources fund for
67.5 metropolitan area regional parks
67.6 maintenance and operations. This is a
67.7 onetime appropriation from the revenue
67.8 deposited in the natural resources fund
67.9 under Minnesota Statutes, section 297A.94,
67.10 paragraph (e), clause (3).
67.11 \$200,000 in 2009 is for a grant to the
67.12 city of St. Paul. This appropriation is in
67.13 addition to and for the same purposes as the
67.14 appropriation for a grant to the city of St.
67.15 Paul for Como Zoo in Laws 2006, chapter
67.16 258, section 17, subdivision 8. This is a
67.17 onetime appropriation and is available until
67.18 expended.

67.19 Sec. 7. **TRANSFERS IN**

67.20 By June 30, 2009, the commissioner
67.21 of finance shall transfer any remaining
67.22 unappropriated balance, estimated to be
67.23 \$103,000, from the Minnesota future
67.24 resources fund to the general fund.
67.25 By June 30, 2008, the commissioner of
67.26 finance shall transfer \$1,400,000 from
67.27 the balance in the stream protection and
67.28 improvement fund to the general fund.

67.29 Sec. 8. Minnesota Statutes 2006, section 17.4988, subdivision 2, is amended to read:

67.30 Subd. 2. **Aquatic farming license.** (a) The annual fee for an aquatic farming license
67.31 is \$210 for the base license. The commissioner must establish an additional fee based
67.32 on the acreage of the operation.

(b) The aquatic farming license may contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

(1) minnow dealer license;

(2) minnow retailer license for sale of minnows as bait;

(3) minnow exporting license;

(4) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow vehicle license, and a fish vendor license;

(5) sucker egg taking license; and

(6) game fish packers license.

Sec. 9. Minnesota Statutes 2006, section 17.4988, subdivision 3, is amended to read:

Subd. 3. **Inspection fees.** ~~The fees for the following inspections are:~~ The commissioner may, by written order published in the State Register, establish fees for the services listed in clauses (1) to (3). The fees must be set in an amount that does not recover significantly more or less than the cost of providing the service. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The services covered under this provision include:

(1) initial inspection of each water to be licensed, ~~\$50~~;

(2) fish health inspection and certification, ~~\$60 plus \$150 per lot thereafter~~ including initial tissue sample collection, basic fish health assessment, viral pathogen testing, and bacteriological testing; and

(3) initial inspection for containment and quarantine facility inspections, ~~\$100~~.

Sec. 10. **[85.53] PARKS AND TRAILS FUND.**

The parks and trails fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the parks and trails fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 11. Minnesota Statutes 2006, section 93.481, is amended by adding a subdivision to read:

Subd. 7. **Mining administration account.** The mining administration account is established as an account in the natural resources fund. Ferrous mining administrative fees

69.1 charged to owners, operators, or managers of mines shall be credited to the account and
69.2 may be appropriated to the commissioner to cover the costs of providing and monitoring
69.3 permits to mine ferrous metals under this section.

69.4 Sec. 12. **[94.3495] EXPEDITED EXCHANGES OF LAND INVOLVING THE**
69.5 **STATE AND GOVERNMENTAL SUBDIVISIONS OF THE STATE.**

69.6 Subdivision 1. **Purpose and scope.** (a) The purpose of this section is to expedite the
69.7 exchange of public land ownership. Consolidation of public land reduces management
69.8 costs and aids in the reduction of forest fragmentation.

69.9 (b) This section applies to exchanges of land between the state and a governmental
69.10 subdivision of the state. For land exchanges under this section, sections 94.342 to 94.347
69.11 apply only to the extent specified in this section.

69.12 Subd. 2. **Classes of land; definitions.** The classes of public land that may be
69.13 involved in an expedited exchange under this section are:

69.14 (1) Class 1 land, which for the purpose of this section is Class A land as defined in
69.15 section 94.342, subdivision 1, except for:

69.16 (i) school trust land as defined in section 92.025; and

69.17 (ii) university land granted to the state by acts of Congress;

69.18 (2) Class 2 land, which for the purpose of this section is Class B land as defined in
69.19 section 94.342, subdivision 2; and

69.20 (3) Class 3 land, which for the purpose of this section is all land owned in fee by
69.21 a governmental subdivision of the state.

69.22 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
69.23 the value of all the land shall be determined by the commissioner of natural resources. In
69.24 an exchange of Class 2 land for Class 3 land, the value of all the land shall be determined
69.25 by the county board of the county in which the land lies. To determine the value of the
69.26 land, the parties to the exchange may cause the land to be appraised, utilize the valuation
69.27 process provided under section 84.0272, subdivision 3, or obtain a market analysis from a
69.28 qualified real estate broker. Merchantable timber value must be determined and considered
69.29 in finalizing valuation of the lands.

69.30 (b) All lands exchanged under this section shall be exchanged only for lands of
69.31 at least substantially equal value. For the purposes of this subdivision, "substantially
69.32 equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b).
69.33 No payment is due either party if the lands are of substantially equal value but are not
69.34 of the same value.

70.1 Subd. 4. **Title.** Title to the land must be examined to the extent necessary for the
70.2 parties to determine that the title is good, with any encumbrances identified. The parties to
70.3 the exchange may utilize title insurance to aid in the determination.

70.4 Subd. 5. **Approval by Land Exchange Board.** All expedited land exchanges
70.5 under this section, and the terms and conditions of the exchanges, require the unanimous
70.6 approval of the Land Exchange Board.

70.7 Subd. 6. **Conveyance.** (a) Conveyance of Class 1 land given in exchange shall be
70.8 made by deed executed by the commissioner of natural resources in the name of the
70.9 state. Conveyance of Class 2 land given in exchange shall be by a deed executed by the
70.10 commissioner of revenue in the name of the state. Conveyance of Class 3 land shall be by
70.11 a deed executed by the governing body in the name of the governing authority.

70.12 (b) If Class 1 land is given in exchange for Class 2 or 3 land, the deed to the Class
70.13 2 or 3 land shall first be delivered to the commissioner of natural resources. Following
70.14 the recording of the deed, the commissioner of natural resources shall deliver the deed
70.15 conveying the Class 1 land.

70.16 (c) If Class 2 land is given in exchange for Class 3 land, the deed to the Class 3 land
70.17 shall first be delivered to the county auditor. Following the recording of the deed, the
70.18 commissioner of revenue shall deliver the deed conveying the Class 2 land.

70.19 (d) All deeds shall be recorded or registered in the county in which the lands lie.

70.20 Subd. 7. **Reversionary interest; mineral and water power rights and other**
70.21 **reservations.** (a) All deeds conveying land given in an expedited land exchange under
70.22 this section shall include a reverter that provides that title to the land automatically reverts
70.23 to the conveying governmental unit if:

70.24 (1) the receiving governmental unit sells, exchanges, or otherwise transfers title of
70.25 the land within 40 years of the date of the deed conveying ownership; and

70.26 (2) there is no prior written approval for the transfer from the conveying
70.27 governmental unit. The authority for granting approval is the commissioner of natural
70.28 resources for former Class 1 land, the county board for former Class 2 land, and the
70.29 governing body for former Class 3 land.

70.30 (b) Class 1 land given in exchange is subject to the reservation provisions of section
70.31 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation
70.32 provisions of section 94.344, subdivision 4. County fee land given in exchange is subject
70.33 to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

70.34 Subd. 8. **Land status.** Land received in exchange for Class 1 land is subject to the
70.35 same trust, if any, and otherwise has the same status as the land given in exchange. Land
70.36 received in exchange for Class 2 land is subject to a trust in favor of the governmental

71.1 subdivision wherein it lies and all laws relating to tax-forfeited land. Land received in
71.2 exchange for Class 3 land has the same status as the land given in exchange.

71.3 Sec. 13. Minnesota Statutes 2006, section 97A.475, subdivision 29, is amended to read:

71.4 Subd. 29. **Private fish hatcheries.** The fees for the following licenses to be issued
71.5 to residents and nonresidents are:

71.6 (1) for a private fish hatchery, with annual sales under \$200, \$70;

71.7 (2) for a private fish hatchery, with annual sales of \$200 or more, \$210 for the
71.8 base license. The commissioner must establish an additional fee based on the acreage of
71.9 the operation; and

71.10 (3) to take sucker eggs from public waters for a private fish hatchery, \$400, plus
71.11 \$6 for each quart in excess of 100 quarts.

71.12 Sec. 14. Minnesota Statutes 2006, section 103A.204, is amended to read:

71.13 **103A.204 GROUNDWATER POLICY.**

71.14 (a) The responsibility for the protection of groundwater in Minnesota is vested
71.15 in a multiagency approach to management. The following is a list of agencies and the
71.16 groundwater protection areas for which the agencies are primarily responsible; the list is
71.17 not intended to restrict the areas of responsibility to only those specified:

71.18 (1) Environmental Quality Board: ~~creation of a water resources committee to~~
71.19 ~~coordinate~~ coordination of state groundwater protection programs ~~and a biennial~~
71.20 ~~groundwater policy report beginning in 1994 that includes, for the 1994 report, the~~
71.21 ~~findings in the groundwater protection report coordinated by the Pollution Control Agency~~
71.22 ~~for the Environmental Protection Agency;~~

71.23 (2) Pollution Control Agency: water quality monitoring and reporting and the
71.24 development of best management practices and regulatory mechanisms for protection of
71.25 groundwater from nonagricultural chemical contaminants;

71.26 (3) Department of Agriculture: sustainable agriculture, integrated pest management,
71.27 water quality monitoring, and the development of best management practices and
71.28 regulatory mechanisms for protection of groundwater from agricultural chemical
71.29 contaminants;

71.30 (4) Board of Water and Soil Resources: reporting on groundwater education and
71.31 outreach with local government officials, local water planning and management, and
71.32 local cost share programs;

(5) Department of Natural Resources: water quantity monitoring and regulation, sensitivity mapping, and development of a plan for the use of integrated pest management and sustainable agriculture on state-owned lands; and

(6) Department of Health: regulation of wells and borings, and the development of health risk limits under section 103H.201.

~~(b) The Environmental Quality Board shall through its Water Resources Committee coordinate with representatives of all agencies prepare a report on policy issues related to its responsibilities listed in paragraph (a), citizens, and other interested groups to prepare a biennial report every even-numbered year as part of its duties described in sections 103A.43 and 103B.151 and include these reports with the assessments in section 103A.43 and the "Minnesota Water Plan" in section 103B.151.~~

Sec. 15. Minnesota Statutes 2006, section 103A.43, is amended to read:

103A.43 WATER ASSESSMENTS AND REPORTS.

(a) The Environmental Quality Board shall ~~evaluate and~~ consolidate the assessments required in paragraphs (b) and (c) with the policy report in section 103A.204 and submit a single report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture and the Legislative-Citizen Commission on Minnesota Resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included by September 15, 2010, and every five years thereafter.

(b) ~~The Environmental Quality Board shall work with the~~ Pollution Control Agency and the Department of Agriculture ~~to coordinate~~ shall provide a biennial assessment and analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water. The assessment and analysis must include an analysis of relevant monitoring data.

(c) ~~The Environmental Quality Board shall work with the~~ Department of Natural Resources ~~to coordinate~~ shall provide an assessment and analysis of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

~~(d) The Environmental Quality Board shall coordinate and submit a report on water policy including the analyses in paragraphs (a) to (c) to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture and the Legislative-Citizen Commission on Minnesota Resources by September 15 of each even-numbered year. The report may include the groundwater policy report in section 103A.204.~~

73.1 Sec. 16. Minnesota Statutes 2006, section 103B.151, subdivision 1, is amended to read:

73.2 Subdivision 1. **Water planning.** The Environmental Quality Board shall:

73.3 (1) coordinate public water resource management and regulation activities among
73.4 the state agencies having jurisdiction in the area;

73.5 (2) ~~initiate, coordinate, and continue to develop~~ comprehensive long-range water
73.6 resources planning in furtherance of ~~the plan prepared by~~ the Environmental Quality
73.7 Board's ~~Water Resources Committee~~ entitled "Minnesota Water Plan," published in
73.8 January 1991, by September 15, 2000, and each ten-year interval afterwards;

73.9 (3) coordinate water planning activities of local, regional, and federal bodies with
73.10 state water planning and integrate these plans with state strategies;

73.11 (4) coordinate development of state water policy recommendations and priorities,
73.12 and a recommended program for funding identified needs, including priorities for
73.13 implementing the state water resources monitoring plan;

73.14 (5) administer federal water resources planning with multiagency interests;

73.15 (6) ensure that groundwater quality monitoring and related data is provided and
73.16 integrated into the Minnesota land management information system according to
73.17 published data compatibility guidelines. Costs of integrating the data in accordance with
73.18 data compatibility standards must be borne by the agency generating the data;

73.19 (7) coordinate the development and evaluation of water information and education
73.20 materials and resources; and

73.21 (8) coordinate the dissemination of water information and education through
73.22 existing delivery systems.

73.23 Sec. 17. **[103B.701] STAR LAKES.**

73.24 Subdivision 1. **Definition.** For the purposes of this section, the term "lake
73.25 association" means an association organized for the purpose of addressing issues on a
73.26 specific lake or river, a lake improvement district, or a lake conservation district.

73.27 Subd. 2. **Application.** (a) A lake association may apply to the Star Lake Board for
73.28 designation as a star lake or river. The applicant must include a copy of a star lake or
73.29 river management plan for the lake or river.

73.30 (b) After review of the application, the Star Lake Board shall determine whether
73.31 designation as a star lake or river will be granted. The designation as a star lake or river
73.32 becomes effective the day following designation by the board. The board shall publish the
73.33 decision on a star lake or river designation in the State Register, including the effective
73.34 date of the designation.

73.35 (c) The star lake or river designation is effective until the earlier of:

74.1 (1) five years after the date of designation; or

74.2 (2) when the Star Lake Board finds that the lake association is not fulfilling the
74.3 requirements of this section or of the star lake or river management plan submitted.

74.4 (d) Within six months before the expiration date of the designation as a star lake
74.5 or river, a lake association may apply to continue the star lake or river designation under
74.6 this section.

74.7 Subd. 3. **Eligibility.** A lake association applying for designation as a star lake
74.8 or river must:

74.9 (1) develop and update a star lake or river management plan as provided in
74.10 subdivision 4;

74.11 (2) maintain a membership or participation of at least 50 percent of the private
74.12 shoreland owners;

74.13 (3) participate in a water quality monitoring program under section 115.06,
74.14 subdivision 4, or other programs meeting Pollution Control Agency standards; and

74.15 (4) meet at least annually to review the plan and notify appropriate state agencies
74.16 and local government units in the development and monitoring of the star lake or river
74.17 management plan.

74.18 Subd. 4. **Star lake or river management plan.** (a) A star lake or river management
74.19 plan must contain a baseline of the current condition of the lake or river based on scientific
74.20 information and plans for addressing the following issues:

74.21 (1) increases in native vegetation in the littoral area of the lake or river, where
74.22 appropriate;

74.23 (2) increases in native vegetation on the shoreline areas of the lake or river, where
74.24 appropriate;

74.25 (3) prevention, reduction, or elimination of aquatic invasive species in the lake
74.26 or river;

74.27 (4) increasing or maintaining a healthy diverse fishery that is appropriate for the
74.28 lake or river;

74.29 (5) how the association will work with state agencies and local government units to
74.30 identify water pollution sources and impairments;

74.31 (6) how the association will assist state and local programs to generate data needed
74.32 by state agencies and local government units in an appropriate format;

74.33 (7) promoting compliance with adopted shoreland zoning standards and shoreland
74.34 best management practices;

74.35 (8) how the lake association will assure its involvement in public input opportunities
74.36 for various local comprehensive and project-specific planning and zoning processes;

75.1 (9) education and recognition opportunities for shoreland owners and other entities
75.2 that conduct activities affecting the quality of the lake or river; and

75.3 (10) other activities that will coordinate with or enhance other state and local water
75.4 management efforts.

75.5 (b) The star lake or river management plan shall be updated within five years of
75.6 adoption by the lake association.

75.7 Subd. 5. **State resources.** State agencies may consider star lake or river designation
75.8 in determining the allocation of financial and staff resources.

75.9 Sec. 18. **[103B.702] STAR LAKE BOARD.**

75.10 Subdivision 1. **Establishment.** (a) The Star Lake Board shall be established as a
75.11 nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986,
75.12 as amended. The Star Lake Board shall promote and designate star lakes and rivers in
75.13 Minnesota under section 103B.701.

75.14 (b) The board must work with private and public entities to leverage the resources
75.15 available to achieve and sustain the designation of Minnesota star lakes or rivers. The
75.16 board may assist lake associations with finding appropriate technical and financial
75.17 assistance and make recommendations to state agencies and local government units
75.18 regarding the manner in which technical or financial assistance can be most effectively
75.19 delivered. To the extent that money is available, the board may secure, provide, or
75.20 recommend financial assistance to meet specific needs of lake associations, for:

75.21 (1) completing a star lake or river management plan when the lake association does
75.22 not have an existing management plan and the association is committed to the goals of a
75.23 plan, as specified in section 103B.701, subdivision 4; and

75.24 (2) addressing specific issues of the lake or river to achieve or maintain the goals
75.25 of the lake or river management plan for lake associations that have achieved a star lake
75.26 or river designation.

75.27 (c) The board shall consist of:

75.28 (1) three public members appointed by the speaker of the house, with one member
75.29 representing county governments, one member representing city governments, and one
75.30 member representing an organization that promotes clean lakes and rivers;

75.31 (2) three public members appointed by the senate Subcommittee on Committees
75.32 of the Committee on Rules and Administration, with one member representing county
75.33 governments, one member representing city governments, and one member representing
75.34 an organization that promotes clean lakes and rivers;

(3) five members, chosen by the other board members with regard to obtaining representation from a variety of types of lakes and rivers within the state, who are from lake associations representing designated star lakes or rivers, or until July 1, 2011, are eligible to achieve star lake or river designation;

(4) one member designated by the commissioner of natural resources;

(5) one member designated by the commissioner of the Pollution Control Agency;

(6) one member designated by the chair of the Board of Water and Soil Resources;

and

(7) one member designated by the Indian Affairs Council.

(d) By January 15 of each odd-numbered year, the board shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment policy and finance on the activities for which money has been or will be spent for the current biennium, the applications for designation, and the star lakes or rivers designated by the board.

(e) Public members appointed by the speaker of the house and the senate Subcommittee on Committees of the Committee on Rules and Administration serve at the pleasure of the appointing authority.

Subd. 2. **Conflict of interest.** A board member may not participate in or vote on a decision of the board relating to an organization in which the member has either a direct or indirect personal financial interest. While serving on the Star Lake Board, a member shall avoid any potential conflict of interest.

Subd. 3. **Staff; contracts.** The board may hire staff or enter into contracts to carry out the activities of the board.

Subd. 4. **Bylaws.** The board shall adopt bylaws necessary for the conduct of the business of the board consistent with this section. The corporation must publish bylaws and amendments to the bylaws in the State Register.

Subd. 5. **Place of business.** The board shall locate and maintain the board's place of business within the state.

Subd. 6. **Chair.** The board shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 7. **Meetings.** The board shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the board. Board meetings are subject to chapter 13D.

Subd. 8. **Funds.** The board may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other

77.1 property given or bequested to it. The principal of these funds, the income from them, and
77.2 all other revenues received by the board from any nonstate source must be placed in the
77.3 depositories the board determines and is subject to expenditure for the board's purposes.

77.4 Subd. 9. **Accounts; audits.** The board may establish funds and accounts necessary
77.5 to carry out its responsibilities. The board shall provide for and pay the cost of an
77.6 independent audit of its official books and records by the legislative auditor subject to
77.7 sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.

77.8 Sec. 19. Minnesota Statutes 2006, section 103G.271, subdivision 6, is amended to read:

77.9 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs
77.10 (b) to (f), a water use permit processing fee must be prescribed by the commissioner in
77.11 accordance with the schedule of fees in this subdivision for each water use permit in force
77.12 at any time during the year. The schedule is as follows, with the stated fee in each clause
77.13 applied to the total amount appropriated:

77.14 (1) ~~\$10~~ \$140 for amounts not exceeding 50,000,000 gallons per year;

77.15 (2) ~~\$3~~ \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons
77.16 but less than 100,000,000 gallons per year;

77.17 (3) ~~\$3.50~~ \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons
77.18 but less than 150,000,000 gallons per year;

77.19 (4) ~~\$4~~ \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons
77.20 but less than 200,000,000 gallons per year;

77.21 (5) ~~\$4.50~~ \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons
77.22 but less than 250,000,000 gallons per year;

77.23 (6) ~~\$5~~ \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons
77.24 but less than 300,000,000 gallons per year;

77.25 (7) ~~\$5.50~~ \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons
77.26 but less than 350,000,000 gallons per year;

77.27 (8) ~~\$6~~ \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons
77.28 but less than 400,000,000 gallons per year;

77.29 (9) ~~\$6.50~~ \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons
77.30 but less than 450,000,000 gallons per year;

77.31 (10) ~~\$7~~ \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons
77.32 but less than 500,000,000 gallons per year; and

77.33 (11) ~~\$7.50~~ \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons
77.34 per year.

78.1 (b) For once-through cooling systems, a water use processing fee must be prescribed
78.2 by the commissioner in accordance with the following schedule of fees for each water use
78.3 permit in force at any time during the year:

78.4 (1) for nonprofit corporations and school districts, ~~\$150~~ \$200 per 1,000,000 gallons;
78.5 and

78.6 (2) for all other users, ~~\$300~~ \$420 per 1,000,000 gallons.

78.7 (c) The fee is payable based on the amount of water appropriated during the year
78.8 and, except as provided in paragraph (f), the minimum fee is \$100.

78.9 (d) For water use processing fees other than once-through cooling systems:

78.10 (1) the fee for a city of the first class may not exceed \$250,000 per year;

78.11 (2) the fee for other entities for any permitted use may not exceed:

78.12 (i) \$50,000 per year for an entity holding three or fewer permits;

78.13 (ii) \$75,000 per year for an entity holding four or five permits;

78.14 (iii) \$250,000 per year for an entity holding more than five permits;

78.15 (3) the fee for agricultural irrigation may not exceed \$750 per year;

78.16 (4) the fee for a municipality that furnishes electric service and cogenerates steam
78.17 for home heating may not exceed \$10,000 for its permit for water use related to the
78.18 cogeneration of electricity and steam; and

78.19 (5) no fee is required for a project involving the appropriation of surface water to
78.20 prevent flood damage or to remove flood waters during a period of flooding, as determined
78.21 by the commissioner.

78.22 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two
78.23 percent per month calculated from the original due date must be imposed on the unpaid
78.24 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee
78.25 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal
78.26 governmental agency holding a water appropriation permit.

78.27 (f) The minimum water use processing fee for a permit issued for irrigation of
78.28 agricultural land is \$20 for years in which:

78.29 (1) there is no appropriation of water under the permit; or

78.30 (2) the permit is suspended for more than seven consecutive days between May 1
78.31 and October 1.

78.32 (g) A surcharge of \$20 per million gallons in addition to the fee prescribed in
78.33 paragraph (a) shall be applied to the volume of water used in each of the months of June,
78.34 July, and August that exceeds the volume of water used in January for municipal water
78.35 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities

79.1 with more than one permit shall be determined based on the total appropriations from all
79.2 permits that supply a common distribution system.

79.3 Sec. 20. Minnesota Statutes 2007 Supplement, section 103G.291, subdivision 3,
79.4 is amended to read:

79.5 Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier
79.6 serving more than 1,000 people must submit a water supply plan to the commissioner
79.7 for approval by January 1, 1996. In accordance with guidelines developed by the
79.8 commissioner, the plan must address projected demands, adequacy of the water supply
79.9 system and planned improvements, existing and future water sources, natural resource
79.10 impacts or limitations, emergency preparedness, water conservation, supply and demand
79.11 reduction measures, and allocation priorities that are consistent with section 103G.261.
79.12 Public water suppliers must update their plan and, upon notification, submit it to the
79.13 commissioner for approval every ten years.

79.14 (b) The water supply plan in paragraph (a) is required for all communities in the
79.15 metropolitan area, as defined in section 473.121, with a municipal water supply system
79.16 and is a required element of the local comprehensive plan required under section 473.859.
79.17 Water supply plans or updates submitted after December 31, 2008, must be consistent
79.18 with the metropolitan area master water supply plan required under section 473.1565,
79.19 subdivision 1, paragraph (a), clause (2).

79.20 (c) Public water suppliers serving more than 1,000 people must employ water
79.21 use demand reduction measures, including a conservation rate structure, as defined in
79.22 subdivision 4, paragraph (a), unless exempted under subdivision 4, paragraph (c), before
79.23 requesting approval from the commissioner of health under section 144.383, paragraph
79.24 (a), to construct a public water supply well or requesting an increase in the authorized
79.25 volume of appropriation. Demand reduction measures must include evaluation of
79.26 conservation rate structures and a public education program that may include a toilet
79.27 and showerhead retrofit program.

79.28 (d) Public water suppliers serving more than 1,000 people must submit records
79.29 that indicate the number of connections and amount of use by customer category and
79.30 volume of water unaccounted for with the annual report of water use required under
79.31 section 103G.281, subdivision 3.

79.32 (e) For the purposes of this ~~subdivision~~ section, "public water supplier" means
79.33 an entity that owns, manages, or operates a public water supply, as defined in section
79.34 144.382, subdivision 4.

80.1 Sec. 21. Minnesota Statutes 2006, section 103G.291, is amended by adding a
80.2 subdivision to read:

80.3 Subd. 4. **Conservation rate structure required.** (a) For the purposes of this
80.4 section, "conservation rate structure" means a rate structure that encourages conservation
80.5 and may include increasing block rates, seasonal rates, time of use rates, individualized
80.6 goal rates, or excess use rates. The rate structure must consider each residential unit as an
80.7 individual user in multiple-family dwellings.

80.8 (b) To encourage conservation, a public water supplier serving more than 1,000
80.9 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use
80.10 a conservation rate structure by January 1, 2010. All remaining public water suppliers
80.11 serving more than 1,000 people shall use a conservation rate structure by January 1, 2013.

80.12 (c) A public water supplier without the proper measuring equipment to track the
80.13 amount of water used by its users, as of the effective date of this act, is exempt from
80.14 this subdivision and the conservation rate structure requirement under subdivision 3,
80.15 paragraph (c).

80.16 Sec. 22. Minnesota Statutes 2006, section 103G.615, subdivision 2, is amended to read:

80.17 Subd. 2. **Fees.** (a) The commissioner shall establish a fee schedule for permits to
80.18 control or harvest aquatic plants other than wild rice. The fees must be set by rule, and
80.19 section 16A.1283 does not apply, but the rule must not take effect until 45 legislative
80.20 days after it has been reported to the legislature. The fees ~~may not exceed \$750 per~~
80.21 ~~permit~~ shall be based upon the cost of receiving, processing, analyzing, and issuing the
80.22 permit, and additional costs incurred after the application to inspect and monitor the
80.23 activities authorized by the permit, and enforce aquatic plant management rules and
80.24 permit requirements.

80.25 (b) ~~The~~ A fee for a permit for the control of rooted aquatic vegetation ~~is \$35~~ for each
80.26 contiguous parcel of shoreline owned by an owner may be charged. This fee may not
80.27 be charged for permits issued in connection with purple loosestrife control or lakewide
80.28 Eurasian water milfoil control programs.

80.29 (c) A fee may not be charged to the state or a federal governmental agency applying
80.30 for a permit.

80.31 (d) The money received for the permits under this subdivision shall be deposited in
80.32 the treasury and credited to the water recreation account.

80.33 Sec. 23. **[114D.50] CLEAN WATER FUND.**

81.1 The clean water fund is established in the Minnesota Constitution, article XI, section
81.2 15. All money earned by the fund must be credited to the fund.

81.3 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional
81.4 amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

81.5 Sec. 24. Minnesota Statutes 2006, section 116.07, subdivision 4, is amended to read:

81.6 Subd. 4. **Rules and standards.** Pursuant and subject to the provisions of chapter 14,
81.7 and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind
81.8 rules and standards having the force of law relating to any purpose within the provisions
81.9 of Laws 1967, chapter 882, for the prevention, abatement, or control of air pollution.
81.10 Any such rule or standard may be of general application throughout the state, or may be
81.11 limited as to times, places, circumstances, or conditions in order to make due allowance
81.12 for variations therein. Without limitation, rules or standards may relate to sources or
81.13 emissions of air contamination or air pollution, to the quality or composition of such
81.14 emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or
81.15 to any other matter relevant to the prevention, abatement, or control of air pollution.

81.16 Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the
81.17 Pollution Control Agency may adopt, amend, and rescind rules and standards having the
81.18 force of law relating to any purpose within the provisions of Laws 1969, chapter 1046,
81.19 for the collection, transportation, storage, processing, and disposal of solid waste and the
81.20 prevention, abatement, or control of water, air, and land pollution which may be related
81.21 thereto, and the deposit in or on land of any other material that may tend to cause pollution.
81.22 The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic
81.23 suitability of land, the volume and rate of application of sewage sludge of various degrees
81.24 of intrinsic hazard, design of facilities, and operation of facilities and sites. Any such rule
81.25 or standard may be of general application throughout the state or may be limited as to
81.26 times, places, circumstances, or conditions in order to make due allowance for variations
81.27 therein. Without limitation, rules or standards may relate to collection, transportation,
81.28 processing, disposal, equipment, location, procedures, methods, systems or techniques
81.29 or to any other matter relevant to the prevention, abatement or control of water, air, and
81.30 land pollution which may be advised through the control of collection, transportation,
81.31 processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of
81.32 any other material that may tend to cause pollution. By January 1, 1983, the rules for the
81.33 management of sewage sludge shall include an analysis of the sewage sludge determined
81.34 by the commissioner of agriculture to be necessary to meet the soil amendment labeling
81.35 requirements of section 18C.215. The rules for the disposal of solid waste shall include

82.1 site-specific criteria to prohibit solid waste disposal based on the area's sensitivity to
82.2 groundwater contamination, including site-specific testing. The rules shall also include
82.3 modifications to financial assurance requirements under subdivision 4h that ensure the
82.4 state is protected from financial responsibility for future groundwater contamination. Until
82.5 the rules are modified to include site-specific criteria to prohibit areas from solid waste
82.6 disposal due to groundwater contamination sensitivity, as required under this section, the
82.7 agency shall not issue a permit for a new solid waste disposal facility, except for:

82.8 (1) the reissuance of a permit for a land disposal facility operating as of March
82.9 1, 2008;

82.10 (2) a permit to expand a land disposal facility operating as of March 1, 2008, beyond
82.11 its permitted boundaries, including expansion on land that is not contiguous to, but is
82.12 located within 600 yards of, the land disposal facility's permitted boundaries;

82.13 (3) a permit to modify the type of waste accepted at a land disposal facility operating
82.14 as of March 1, 2008;

82.15 (4) a permit to locate a disposal facility that accepts only construction debris as
82.16 defined in section 115A.03, subdivision 7;

82.17 (5) a permit to locate a disposal facility that:

82.18 (i) accepts boiler ash from an electric energy power plant that has wet scrubbed units
82.19 or has units that have been converted from wet scrubbed units to dry scrubbed units as
82.20 those terms are defined in section 216B.68;

82.21 (ii) is on land that was owned on May 1, 2008, by the utility operating the electric
82.22 energy power plant; and

82.23 (iii) is located within three miles of the existing ash disposal facility for the power
82.24 plant; or

82.25 (6) a permit to locate a new solid waste disposal facility for ferrous metallic minerals
82.26 regulated under Minnesota Rules, chapter 6130, or for nonferrous metallic minerals
82.27 regulated under Minnesota Rules, chapter 6132.

82.28 Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the
82.29 Pollution Control Agency may adopt, amend and rescind rules and standards having the
82.30 force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for
82.31 the prevention, abatement, or control of noise pollution. Any such rule or standard may
82.32 be of general application throughout the state, or may be limited as to times, places,
82.33 circumstances or conditions in order to make due allowances for variations therein.
82.34 Without limitation, rules or standards may relate to sources or emissions of noise or noise
82.35 pollution, to the quality or composition of noises in the natural environment, or to any
82.36 other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the Pollution Control Agency.

Pursuant to chapter 14, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. In implementing its hazardous waste rules, the Pollution Control Agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The Pollution Control Agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 25. [129D.17] ARTS AND CULTURAL HERITAGE FUND.

The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 26. [173.0855] STAR LAKE OR RIVER SIGNS.

Subdivision 1. **Authority to erect.** (a) A county, statutory or home rule charter city, or town of Minnesota that contains a star lake or river designated under section 103B.701 may request the Department of Transportation to erect star lake or river signs pursuant to section 161.139. One sign may be erected at each approach to a lake or river within the right-of-way of an interstate or other highway that passes over a lake or river in the Department of Transportation's eight-county metropolitan district or near or over a lake or river in greater Minnesota.

(b) An official lake or river sign on the right-of-way of an interstate or other highway may be replaced with a star lake or river sign by the Department of Transportation pursuant to section 161.139.

Subd. 2. **Sign standards.** The Department of Transportation shall design and manufacture the star lake and river signs to specifications not contrary to other federal and state highway sign standards.

Sec. 27. Minnesota Statutes 2006, section 473.1565, subdivision 3, is amended to read:

Subd. 3. **Reports to legislature.** The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. ~~The first report must be submitted to the legislature by the date the legislature convenes in 2007 and subsequent reports must be submitted by such date every five years thereafter.~~ These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

Sec. 28. Laws 2007, chapter 57, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Forest Management	44,495,000	43,393,000
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Appropriations by Fund		
General	24,755,000	24,836,000
Natural Resources	19,483,000	18,293,000
Game and Fish	257,000	264,000

\$7,217,000 the first year and \$7,217,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund.

By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house and senate committees and divisions having

85.1 jurisdiction over environment and natural
85.2 resources finance, identifying all firefighting
85.3 costs incurred and reimbursements received
85.4 in the prior fiscal year. These appropriations
85.5 may not be transferred. Any reimbursement
85.6 of firefighting expenditures made to the
85.7 commissioner from any source other than
85.8 federal mobilizations shall be deposited into
85.9 the general fund.

85.10 \$17,983,000 the first year and \$18,293,000
85.11 the second year are from the forest
85.12 management investment account in the
85.13 natural resources fund for only the purposes
85.14 specified in Minnesota Statutes, section
85.15 89.039, subdivision 2.

85.16 Of this amount:

85.17 (1) \$750,000 each year is for additional staff
85.18 to enhance timber sales;

85.19 (2) \$1,000,000 each year is for forest
85.20 improvements;

85.21 (3) \$1,100,000 each year is for forest road
85.22 maintenance;

85.23 (4) \$600,000 each year is for the ecological
85.24 classification system on state forest lands;

85.25 (5) \$350,000 each year is for the prevention
85.26 of invasive species on state forest lands; and

85.27 (6) \$400,000 each year is for the re-inventory
85.28 of state forest lands.

85.29 Money for forest road maintenance is
85.30 onetime.

85.31 \$780,000 the first year and \$780,000 the
85.32 second year are for the Forest Resources
85.33 Council for implementation of the
85.34 Sustainable Forest Resources Act.

86.1 \$40,000 the first year is for the Forest
86.2 Resources Council to provide a grant to
86.3 the University of Minnesota to prepare a
86.4 statewide plan to address the fragmentation
86.5 and parcelization of large blocks of forest
86.6 land in the state.

86.7 \$200,000 in fiscal year 2008 is for a grant
86.8 to the Forest Resources Research Advisory
86.9 Committee to provide direction on research
86.10 topics recommended by the governor's task
86.11 force on the competitiveness of Minnesota's
86.12 primary forest products industry.

86.13 \$350,000 the first year and \$350,000 the
86.14 second year are for the FORIST timber
86.15 management information system, other
86.16 information systems, and for increased
86.17 forestry management. The amount in the
86.18 second year is also available in the first year.

86.19 \$257,000 the first year and \$264,000 the
86.20 second year are from the game and fish
86.21 fund to implement ecological classification
86.22 systems (ECS) standards on forested
86.23 landscapes. This appropriation is from
86.24 revenue deposited in the game and fish fund
86.25 under Minnesota Statutes, section 297A.94,
86.26 paragraph (e), clause (1).

86.27 \$110,000 the first year is to develop and
86.28 implement a statewide information and
86.29 education campaign regarding the statewide
86.30 ban on the transport, storage, or use of
86.31 nonapproved firewood on state-administered
86.32 lands.

86.33 \$1,500,000 the first year is from the forest
86.34 management investment account in the

87.1 natural resources fund for the purposes of
87.2 section 158. This is a onetime appropriation.
87.3 \$75,000 the first year is to the Forest
87.4 Resources Council for a task force on
87.5 forest protection and \$75,000 the second
87.6 year is appropriated to the commissioner
87.7 for grants to cities, counties, townships,
87.8 special recreation areas, and park and
87.9 recreation boards in cities of the first class
87.10 for the identification, removal, disposal, and
87.11 replacement of dead or dying shade trees
87.12 lost to forest pests or disease. For purposes
87.13 of this section, "shade tree" means a woody
87.14 perennial grown primarily for aesthetic or
87.15 environmental purposes with minimal to
87.16 residual timber value. The commissioner
87.17 shall consult with municipalities; park and
87.18 recreation boards in cities of the first class;
87.19 nonprofit organizations; and other interested
87.20 parties in developing eligibility criteria. *
87.21 **(The preceding text beginning "\$75,000**
87.22 **the first year" was indicated as vetoed by**
87.23 **the governor.)**
87.24 \$200,000 in fiscal year 2008 is for a grant
87.25 to the Natural Resources Research Institute
87.26 for silvicultural research to improve the
87.27 quality and quantity of timber fiber. The
87.28 appropriation must be matched in the amount
87.29 of \$200,000 in cash or in-kind contributions
87.30 from the forest products industry members of
87.31 the Minnesota Forest Productivity Research
87.32 Cooperative.
87.33 \$1,000,000 the first year and \$1,000,000
87.34 the second year are to support additional
87.35 ~~technical and cost-share assistance to~~

88.1 ~~nonindustrial private forest (NIPF)~~
88.2 ~~landowners~~ forest management activities.
88.3 The base appropriation in fiscal year 2010
88.4 and later is \$500,000.
88.5 \$200,000 the first year and \$200,000 the
88.6 second year are to ~~address escalating~~
88.7 ~~land asset management demands, such as~~
88.8 ~~boundary disputes, access easements, and~~
88.9 ~~sale, exchange, and acquisition of forest~~
88.10 ~~lands~~ support additional forest management
88.11 activities.

88.12 Sec. 29. Laws 2007, chapter 57, article 1, section 4, subdivision 6, is amended to read:

88.13 Subd. 6. **Trails and Waterways Management** 30,257,000 30,492,000

88.14 Appropriations by Fund

88.15 General	2,538,000	2,568,000
88.16 Natural Resources	25,600,000	25,730,000
88.17 Game and Fish	2,119,000	2,194,000

88.18 \$8,424,000 the first year and \$8,424,000
88.19 the second year are from the snowmobile
88.20 trails and enforcement account in the natural
88.21 resources fund for snowmobile grants-in-aid.
88.22 The additional money under this item may
88.23 be used for new grant-in-aid trails. Any
88.24 unencumbered balance does not cancel at the
88.25 end of the first year and is available for the
88.26 second year.
88.27 \$1,175,000 the first year and \$1,325,000 the
88.28 second year are from the natural resources
88.29 fund for off-highway vehicle grants-in-aid.
88.30 Of this amount, \$825,000 the first year and
88.31 \$1,075,000 the second year are from the
88.32 all-terrain vehicle account; \$150,000 each
88.33 year is from the off-highway motorcycle
88.34 account; and \$200,000 the first year and

89.1 \$100,000 the second year are from the
89.2 off-road vehicle account. Any unencumbered
89.3 balance does not cancel at the end of the first
89.4 year and is available for the second year.

89.5 \$261,000 the first year and \$261,000 the
89.6 second year are from the water recreation
89.7 account in the natural resources fund for a
89.8 safe harbor program on Lake Superior.

89.9 \$742,000 the first year and \$760,000
89.10 the second year are from the natural
89.11 resources fund for state trail operations
89.12 and maintenance. The money may be used
89.13 for trail maintenance, signage, mapping,
89.14 interpretation, native prairie restoration
89.15 using best management practices, and
89.16 maintenance of nonmotorized forest trails.

89.17 This appropriation is from the revenue
89.18 deposited in the natural resources fund
89.19 under Minnesota Statutes, section 297A.94,
89.20 paragraph (e), clause (2).

89.21 \$655,000 the first year and \$655,000 the
89.22 second year are from the natural resources
89.23 fund for trail grants to local units of
89.24 government on land to be maintained for
89.25 at least 20 years for the purposes of the
89.26 grant. This appropriation is from the revenue
89.27 deposited in the natural resources fund
89.28 under Minnesota Statutes, section 297A.94,
89.29 paragraph (e), clause (4). Any unencumbered
89.30 balance does not cancel at the end of the
89.31 first year and is available for the second
89.32 year. In addition, if a project financed under
89.33 this program receives a federal grant award,
89.34 the availability of the financing from this

90.1 paragraph for that project is extended to
90.2 equal the period of the federal grant.

90.3 \$150,000 the first year and \$150,000 the
90.4 second year are from the all-terrain vehicle
90.5 account for two all-terrain vehicle trail
90.6 specialists to assist and consult with on
90.7 all-terrain vehicle grant-in-aid education and
90.8 training for sustainable trail development and
90.9 maintenance, as well as providing training
90.10 for public and private sector trail monitoring.
90.11 The specialists may assist in the evaluation
90.12 of grant-in-aid trail proposals, but not in the
90.13 promotion of new trails.

90.14 \$1,965,000 the first year and \$2,040,000
90.15 the second year are from the game and fish
90.16 fund for expenditures on water access sites
90.17 according to the requirements of the federal
90.18 sport and fish restoration program.

90.19 Money appropriated under Laws 2005, First
90.20 Special Session chapter 1, article 2, section
90.21 11, subdivision 6, paragraph (h), for the Paul
90.22 Bunyan State Trail connection is available
90.23 until June 30, 2008.

90.24 \$400,000 each year is for operation and
90.25 maintenance of nonmotorized trails within
90.26 state forests. This is a onetime appropriation.

90.27 \$75,000 each year is for additional wild and
90.28 scenic rivers program activities.

90.29 \$120,000 the first year is from the
90.30 water recreation account in the natural
90.31 resources fund to cooperate with local
90.32 units of government in marking routes and
90.33 designating river accesses and campsites
90.34 under Minnesota Statutes, section 85.32.

91.1 This is a onetime appropriation and available
91.2 until spent.

91.3 The appropriation in Laws 2005, First
91.4 Special Session chapter 1, article 2, section
91.5 3, subdivision 6, from the lottery in lieu
91.6 account in the natural resources fund for
91.7 trail grants to local units of government, is
91.8 available until June 30, 2009.

91.9 Sec. 30. **MINING ADMINISTRATIVE FEE.**

91.10 (a) Until a new application fee schedule is adopted for permits to mine or process
91.11 taconite according to the report submitted by the commissioner of natural resources under
91.12 this article, the commissioner shall charge the administrative fees established in paragraph
91.13 (b), payable to the commissioner by June 30 of each year, beginning in 2008.

91.14 (b) A company that manages a taconite mining or taconite processing operation
91.15 shall pay:

91.16 (1) \$90,000 if the total production of the company's combined operations in the state
91.17 had an annual production of 10,000,000 or more tons of taconite pellets or iron nuggets
91.18 during the previous calendar year;

91.19 (2) \$10,000 if the total production of the company's combined operations in the state
91.20 had an annual production of less than 10,000,000 tons of taconite pellets or iron nuggets
91.21 during the previous calendar year; and

91.22 (3) \$3,333 if the mining operation is permitted to mine, but had no annual production
91.23 of taconite pellets or iron nuggets during the previous calendar year.

91.24 **EFFECTIVE DATE.** This section is effective the day following final enactment
91.25 and applies to companies that manage a taconite mining or taconite processing operation
91.26 holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during
91.27 the 2007 calendar year.

91.28 Sec. 31. **DEPARTMENT OF NATURAL RESOURCES RULEMAKING**
91.29 **REQUIRED; STRUCTURES IN PUBLIC WATERS.**

91.30 By January 15, 2010, the commissioner of natural resources shall update rules
91.31 on structures that are allowed in public waters and the permit requirements for those
91.32 structures under Minnesota Rules, chapter 6115. The Department of Natural Resources
91.33 general permit no. 2008-0401 expires on the effective date of the updated rules.

92.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

92.2 Sec. 32. **FIRST MEETING; DEADLINE FOR APPOINTMENTS.**

92.3 The appointing authorities named in Minnesota Statutes, section 103B.702, must
92.4 complete their appointments to the Star Lake Board by January 15, 2009, with the
92.5 exception of the appointments required under Minnesota Statutes, section 103B.702,
92.6 subdivision 1, paragraph (c), clause (3), which must be completed within 30 days of the
92.7 first meeting of the board. The board member designated by the Board of Water and Soil
92.8 Resources must convene the first meeting of the board no later than February 15, 2009.

92.9 Sec. 33. **SOLID WASTE DISPOSAL RULES REPORT; LEGISLATIVE**
92.10 **REVIEW.**

92.11 By January 15, 2010, the Pollution Control Agency shall report to the senate and
92.12 house of representatives environment policy and finance committees and divisions on
92.13 proposed rules, under Minnesota Statutes, section 116.07, subdivision 4, to prohibit the
92.14 disposal of solid waste in specific areas due to the sensitivity of the area to groundwater
92.15 contamination.

92.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

92.17 Sec. 34. **INDUSTRIAL AND CONSTRUCTION AND DEMOLITION**
92.18 **LANDFILL WORKING GROUP.**

92.19 The commissioner of the Pollution Control Agency shall, by July 15, 2008, convene
92.20 a working group to develop, evaluate, and recommend policies and legislation regarding
92.21 the management of industrial solid waste and construction and demolition debris in land
92.22 disposal facilities. The commissioner shall appoint members of the working group,
92.23 including representatives from counties, state agencies, private landfill owners, waste
92.24 haulers, environmental organizations, and other interested parties to serve on the working
92.25 group. The Pollution Control Agency shall serve as staff to the working group. The
92.26 working group shall submit a report of its findings and recommendations to the chairs and
92.27 ranking minority members of the senate and house of representatives committees with
92.28 primary jurisdiction over environmental policy and environmental finance by January
92.29 15, 2009.

92.30 **ARTICLE 6**

92.31 **ENERGY, COMMERCE, UTILITIES**

92.32 Section 1. **SUMMARY OF APPROPRIATIONS.**

93.1 The amounts shown in this section summarize direct appropriations or reductions,
93.2 by fund, made in this article.

93.3		<u>2008</u>		<u>2009</u>		<u>Total</u>
93.4	<u>General</u>	\$ (2,670,000)	\$	(1,436,000)	\$	(4,106,000)

93.5 Sec. 2. APPROPRIATIONS.

93.6 The dollar amounts in the columns under "APPROPRIATIONS" are added to or,
93.7 if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57,
93.8 or other law to the specified agencies. The appropriations are from the general fund, or
93.9 another named fund, and are available for the fiscal years indicated for each purpose. The
93.10 figures "2008" and "2009" used in this article mean that the appropriations listed under
93.11 them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively.
93.12 "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium"
93.13 is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are
93.14 effective the day following final enactment.

93.15		<u>APPROPRIATIONS</u>	
93.16		<u>Available for the Year</u>	
93.17		<u>Ending June 30</u>	
93.18		<u>2008</u>	<u>2009</u>

93.19 Sec. 3. COMMERCE

93.20	<u>Subdivision 1. Total Appropriation</u>	\$	(2,670,000)	\$	(1,436,000)
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93.21	<u>Subd. 2. Administration</u>		-0-		84,000
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93.22 \$46,000 in the second year is a base reduction
93.23 to the administration program and the Office
93.24 of Energy Security.

93.25 \$130,000 in the second year is a base increase
93.26 for staffing to enhance unclaimed property
93.27 compliance.

93.28	<u>Subd. 3. Market Assurance</u>		(270,000)		(270,000)
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93.29 This is a base reduction to the do not call
93.30 program.

93.31	<u>Subd. 4. Energy and Telecommunications</u>		(2,400,000)		(1,250,000)
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93.32 \$200,000 in the first year is for the solar
93.33 rebate program. Equipment used to heat hot

94.1 water at a residential property for domestic
94.2 use, not including equipment used for a hot
94.3 tub or swimming pool, is eligible for the
94.4 solar rebate program. This is a onetime
94.5 appropriation and is available until spent.

94.6 Of the amounts appropriated from the
94.7 special revenue fund in the second year
94.8 to the commissioner of commerce for
94.9 renewable energy research under Laws 2007,
94.10 chapter 57, article 2, section 3, subdivision
94.11 6, clause (7), \$500,000 must be used to
94.12 support the algae-to-biofuels research project
94.13 at the University of Minnesota and the
94.14 Metropolitan Council.

94.15 Money appropriated from the special revenue
94.16 fund for renewable energy research under
94.17 Laws 2007, chapter 57, article 2, section 3,
94.18 subdivision 6, clause (7), may be used for a
94.19 grant to a cellulosic ethanol facility using
94.20 paper mill sludge.

94.21 Of the assessment amount authorized under
94.22 Minnesota Statutes, section 216B.241,
94.23 subdivision 1e, up to \$200,000 in the second
94.24 year shall be used for the required report
94.25 and activities of the Green Jobs Task Force
94.26 established in this article. This is a onetime
94.27 appropriation.

94.28 Of the amounts appropriated in the second
94.29 year to the commissioner of commerce from
94.30 the special revenue fund for environmentally
94.31 friendly automotive technology projects
94.32 under Laws 2007, chapter 57, article 2,
94.33 section 3, subdivision 6, clause (4), up to
94.34 \$200,000 is for the green economy report and
94.35 the statewide action plan and other activities

95.1 of the Green Jobs Task Force established in
95.2 this article, of which no more than \$50,000
95.3 may be spent for the green economy report;
95.4 \$100,000 is for the city of St. Paul for a
95.5 site evaluation of the Ford manufacturing
95.6 plant and for workforce development and
95.7 skills assessment of the Ford employees;
95.8 and \$250,000 is for activities and research
95.9 for the Green Manufacturing Initiative
95.10 by a statewide organization dedicated to
95.11 furthering the green economy and its fiscal
95.12 agent.

95.13 \$1,250,000 is a reduction from the fiscal
95.14 year 2009 appropriation for E-85 cost share
95.15 grants. The base for the grant program in
95.16 fiscal year 2010 is \$1,000,000. The base for
95.17 fiscal year 2011 is \$0.

95.18 \$2,600,000 is a reduction from the fiscal year
95.19 2008 appropriation for renewable hydrogen
95.20 initiative grants.

95.21 Subd. 5. **Transfers**

95.22 (a) **Insurance Fraud Prevention Account**

95.23 Prior to July 31, 2008, the commissioner of
95.24 finance shall transfer \$1,500,000 from the
95.25 unexpended balance of the insurance fraud
95.26 prevention account established in Minnesota
95.27 Statutes, section 45.0135, to the general fund.

95.28 After June 15, 2009, and prior to June 30,
95.29 2009, the commissioner of finance shall
95.30 transfer \$1,500,000 from the unexpended
95.31 balance of the insurance fraud prevention
95.32 account established in Minnesota Statutes,
95.33 section 45.0135, to the general fund.

96.1 **(b) Real Estate Education, Research and**
96.2 **Recovery Fund**

96.3 Prior to July 31, 2008, the commissioner
96.4 of finance shall transfer \$850,000 from
96.5 the unexpended balance of the real estate
96.6 education, research and recovery fund
96.7 established in Minnesota Statutes, section
96.8 82.43, to the general fund.

96.9 **(c) Consumer Education Account**

96.10 Prior to July 31, 2008, the commissioner
96.11 of finance shall transfer \$100,000 from
96.12 the unexpended balance of the consumer
96.13 education account established under
96.14 Minnesota Statutes, section 58.10, to the
96.15 general fund.

96.16 **(d) Automobile Theft Prevention Account**

96.17 Prior to July 31, 2008, the commissioner
96.18 of finance shall transfer \$230,000 from the
96.19 unexpended balance of the automobile theft
96.20 prevention account established in Minnesota
96.21 Statutes, section 168A.40, to the general
96.22 fund.

96.23 **(e) Assigned Risk Plan**

96.24 By June 30, 2009, the commissioner of
96.25 finance shall transfer \$10,000,000 in assets of
96.26 the workers' compensation assigned risk plan
96.27 created under Minnesota Statutes, section
96.28 79.252, to the general fund.

96.29 **Sec. 4. PUBLIC UTILITIES COMMISSION**

96.30 Prior to July 31, 2008, the commissioner
96.31 of finance shall transfer \$4,000,000 from
96.32 the telephone assistance fund established in

97.1 Minnesota Statutes, section 237.701, to the
97.2 general fund.

97.3 Sec. 5. Minnesota Statutes 2007 Supplement, section 80A.65, subdivision 1, is
97.4 amended to read:

97.5 Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of
97.6 \$100 for every application for registration or notice filing. There shall be an additional fee
97.7 of one-tenth of one percent of the maximum aggregate offering price at which the securities
97.8 are to be offered in this state, and the maximum combined fees shall not exceed \$300.

97.9 (b) When an application for registration is withdrawn before the effective date
97.10 or a preeffective stop order is entered under section 80A.54, all but the \$100 filing fee
97.11 shall be returned. If an application to register securities is denied, the total of all fees
97.12 received shall be retained.

97.13 (c) Where a filing is made in connection with a federal covered security under
97.14 section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing.
97.15 If the filing is made in connection with redeemable securities issued by an open end
97.16 management company or unit investment trust, as defined in the Investment Company Act
97.17 of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate
97.18 offering price at which the securities are to be offered in this state during the notice filing
97.19 period. The fee must be paid at the time of the initial filing and thereafter in connection
97.20 with each renewal no later than July 1 of each year and must be sufficient to cover the
97.21 shares the issuer expects to sell in this state over the next 12 months. If during a current
97.22 notice filing the issuer determines it is likely to sell shares in excess of the shares for which
97.23 fees have been paid to the administrator, the issuer shall submit an amended notice filing
97.24 to the administrator under section 80A.50, together with a fee of 1/20 of one percent of the
97.25 maximum aggregate offering price of the additional shares. Shares for which a fee has
97.26 been paid, but which have not been sold at the time of expiration of the notice filing, may
97.27 not be sold unless an additional fee to cover the shares has been paid to the administrator
97.28 as provided in this section and section 80A.50. If the filing is made in connection with
97.29 redeemable securities issued by such a company or trust, there is no maximum fee for
97.30 securities filings made according to this paragraph. If the filing is made in connection
97.31 with any other federal covered security under Section 18(b)(2) of the Securities Act of
97.32 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate
97.33 offering price at which the securities are to be offered in this state, and the combined fees
97.34 shall not exceed \$300. ~~Beginning with fiscal year 2001 and continuing each fiscal year~~
97.35 ~~thereafter, as of the last day of each fiscal year, the administrator shall determine the total~~

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98.1 ~~amount of all fees that were collected under this paragraph in connection with any filings~~
98.2 ~~made for that fiscal year for securities of an open-end investment company on behalf of a~~
98.3 ~~security that is a federal covered security pursuant to section 18(b)(2) of the Securities~~
98.4 ~~Act of 1933. To the extent the total fees collected by the administrator in connection~~
98.5 ~~with these filings exceed \$25,600,000 in a fiscal year, the administrator shall refund, on~~
98.6 ~~a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees~~
98.7 ~~collected by the administrator in excess of \$25,600,000. No individual refund is required~~
98.8 ~~of amounts of \$100 or less for a fiscal year.~~

98.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

98.10 Sec. 6. Minnesota Statutes 2007 Supplement, section 216C.41, subdivision 3, is
98.11 amended to read:

98.12 Subd. 3. **Eligibility window.** Payments may be made under this section only for:

98.13 (a) electricity generated from:

98.14 (1) a qualified hydroelectric facility that is operational and generating electricity
98.15 before December 31, ~~2009~~ 2011;

98.16 (2) a qualified wind energy conversion facility that is operational and generating
98.17 electricity before January 1, 2008; or

98.18 (3) a qualified on-farm biogas recovery facility from July 1, 2001, through December
98.19 31, 2017; and

98.20 (b) gas generated from a qualified on-farm biogas recovery facility from July 1,
98.21 2007, through December 31, 2017.

98.22 Sec. 7. Minnesota Statutes 2006, section 216C.41, subdivision 4, is amended to read:

98.23 Subd. 4. **Payment period.** (a) A facility may receive payments under this section for
98.24 a ten-year period. No payment under this section may be made for electricity generated:

98.25 (1) by a qualified hydroelectric facility after December 31, ~~2019~~ 2021;

98.26 (2) by a qualified wind energy conversion facility after December 31, 2018; or

98.27 (3) by a qualified on-farm biogas recovery facility after December 31, 2015.

98.28 (b) The payment period begins and runs consecutively from the date the facility
98.29 begins generating electricity or, in the case of refurbishment of a hydropower facility, after
98.30 substantial repairs to the hydropower facility dam funded by the incentive payments are
98.31 initiated.

Sec. 8. Minnesota Statutes 2006, section 325E.313, is amended to read:

325E.313 NO-CALL LIST.

Subdivision 1. **Establishment of list.** The commissioner shall establish and maintain a list of telephone numbers of residential subscribers who object to receiving telephone solicitations. The commissioner may fulfill the requirements of this subdivision by contracting with an agent for the establishment and maintenance of the list. The list must be established by January 1, 2003.

Subd. 2. **Operation and maintenance of list.** (a) Each local exchange company must inform its residential subscribers of the opportunity to provide notification to the commissioner or its contractor that the subscriber objects to receiving telephone solicitations. The notification must be made in the manner prescribed by the commissioner.

(b) Any residential subscriber may contact the commissioner or the commissioner's agent and give notice, in the manner prescribed by the commissioner, that the subscriber objects to receiving telephone solicitations. The commissioner shall add the telephone number of any subscriber who gives notice of objection to the list maintained pursuant to subdivision 1 within 90 days of the date the notice is received.

~~(c) Any notice given by a subscriber under this subdivision shall be effective for four years unless revoked by the subscriber. Any subsequent notices given by the same subscriber related to a different telephone number are separate from the original notice.~~

~~(d)~~ (c) The commissioner shall allow consumers to give notice under this subdivision by mail or electronically.

~~(e)~~ (d) The commissioner shall establish the procedures by which a person wishing to make telephone solicitations may obtain access to the list. Those procedures shall, to the extent practicable, allow for access to paper or electronic copies of the list.

Subd. 3. **Use of federal list.** If, pursuant to United States Code, title 15, section 6102(a), the Federal Trade Commission establishes a national list of telephone numbers of subscribers who object to receiving telephone solicitations, the commissioner ~~shall include subscribers who live in Minnesota and are included in the national list in the list established under this section. The commissioner shall also transmit to the Federal Trade Commission the telephone numbers included on the no-call list established under this section and shall request that they be included in the national list~~ may consider the Federal Trade Commission as its agent for the establishment and maintenance of a list.

Sec. 9. Minnesota Statutes 2006, section 325E.314, is amended to read:

325E.314 FEES; ACQUISITION AND USE OF LIST.

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~~(a) A person or entity desiring to make telephone solicitations shall pay a fee, payable to the commissioner, for access to, or for paper or electronic copies of, the list established under section 325E.313. The fee shall not exceed \$125 for each acquisition of the list. The fee shall not exceed \$90 in fiscal year 2004, and the fee shall not exceed \$75 in fiscal year 2005 and thereafter.~~

~~(b)~~ (a) A caller who makes a telephone solicitation to the telephone line of any residential subscriber must, at the time of the call, have obtained access to a current version of the list at least once in the 90 days prior to the call. A caller who complies with this requirement is not liable for any violation of section 325E.312 relating to a solicitation made to a subscriber during the first 30 days after the caller first obtained a copy of the list including that subscriber's telephone number that has not been superseded by a later list obtained by the caller that does not include the subscriber's telephone number.

~~(c)~~ (b) If the Federal Trade Commission establishes a national do-not-call list as described in section 325E.313, subdivision ~~3~~ 2, a person or entity who is required by law to obtain a copy of the national list ~~is not required to purchase or retain a copy of the list established by the commissioner, unless the Federal Trade Commission fails to incorporate the Minnesota names transmitted by the commissioner~~ may meet its requirement through proof of purchase of the Minnesota numbers from the federal list.

Sec. 10. Minnesota Statutes 2006, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Department of Commerce Division of Insurance Fraud Prevention, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections' Fugitive Apprehension Unit, or a city or airport police department.

101.1 (f) "Designated offense" includes:

101.2 (1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

101.3 (2) for driver's license or identification card transactions: any violation of section
101.4 171.22; and

101.5 (3) for all other purposes: a felony violation of, or a felony-level attempt or
101.6 conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21;
101.7 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;
101.8 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1,
101.9 clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345,
101.10 subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466;
101.11 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561;
101.12 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e;
101.13 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;
101.14 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation
101.15 of section 609.891 or 624.7181; or any violation of section 609.324.

101.16 (g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

101.17 Sec. 11. **GREEN ECONOMY REPORT.**

101.18 (a) Each state agency, other than the Iron Range Resources and Rehabilitation
101.19 Board or the Office of the Commissioner of Iron Range Resources and Rehabilitation,
101.20 that administers a loan or grant program must assess those programs to determine
101.21 their potential to advance or promote the growth of the green economy, as defined in
101.22 Minnesota Statutes, section 116J.437. An agency must report on its determination to the
101.23 commissioner of commerce by September 15, 2008.

101.24 (b) If a program is determined to have significant potential, the agency must develop
101.25 a plan to integrate program elements appropriate to that program to advance or promote
101.26 the growth of the green economy in this state. An agency must report on its plan to the
101.27 commissioner of commerce by November 15, 2008.

101.28 (c) The commissioner of commerce, in consultation with the commissioner of
101.29 employment and economic development, must develop guidelines to be followed by state
101.30 agencies in complying with this section.

101.31 (d) By January 15, 2009, the commissioner of commerce, in consultation with the
101.32 commissioner of employment and economic development, must submit a report containing
101.33 the plans developed under paragraph (b), and any recommended implementing legislation,
101.34 to the chairs and ranking minority members of the senate and house committees with

102.1 primary jurisdiction over energy, environmental and economic development policy, and
102.2 finance.

102.3 (e) The commissioner of commerce may contract for services to fulfill the
102.4 commissioner's duties under this section.

102.5 Sec. 12. **GREEN JOBS TASK FORCE.**

102.6 Subdivision 1. **Task force.** (a) A Green Jobs Task Force is created to advise and
102.7 assist the governor and legislature regarding activities to advance the state's economy, and
102.8 to develop a statewide action plan as provided under subdivision 2. The task force shall
102.9 be appointed no later than June 30, 2008, and consist of:

102.10 (1) three members of the house of representatives, including one member of the
102.11 minority party appointed by the speaker;

102.12 (2) three members of the senate appointed by the Subcommittee on Committees of
102.13 the Committee on Rules and Administration, including one member of the minority;

102.14 (3) seven representatives from state agencies and institutions appointed by the
102.15 governor, including one member from the Office of Energy Security, one member from
102.16 the Department of Employment and Economic Development, one member from the Job
102.17 Skills Partnership Board, one member from the University of Minnesota, one member
102.18 from Minnesota State Colleges and Universities, one member from the Pollution Control
102.19 Agency, and one member from the Department of Natural Resources;

102.20 (4) three public members appointed by the governor, including one member
102.21 representing the manufacturing industry, one member representing a statewide
102.22 organization dedicated to commerce, and one member representing the Agricultural
102.23 Utilization Research Institute;

102.24 (5) four public members appointed by the speaker of the house of representatives,
102.25 including one member representing labor, one member representing a statewide
102.26 environmental organization, one member representing financial institutions or venture
102.27 capital, and one member from a local economic development authority from greater
102.28 Minnesota; and

102.29 (6) four public members appointed by the senate Subcommittee on Committees
102.30 of the Committee on Rules and Administration, including one member from a local
102.31 economic development authority from the metropolitan area, one member from a
102.32 statewide organization dedicated to furthering the green economy, one member from a
102.33 firm currently engaged in green manufacturing, and one local workforce development
102.34 representative from an area that has experienced significant manufacturing job loss.

(b) The commissioner of commerce, in cooperation with the commissioner of employment and economic development, shall provide staff support to the task force. The task force may accept outside resources to help support its efforts.

(c) Each of the legislative appointing authorities must name a cochair of the task force from the legislative members appointed by that authority.

(d) Public members of the task force must be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to the legislature under Minnesota Statutes, section 3.195, and to the governor a statewide action plan to optimize the growth of the green economy. For the purpose of this section, "green economy" has the meaning given it by new Minnesota Statutes, section 116J.437, if enacted.

(b) The plan must include necessary draft legislation and budget requests and may include administrative actions of governmental entities, collaborative actions, and actions of individuals and individual organizations. The plan must be developed following the analysis described in this paragraph and must be based on the analysis. The analysis must include:

(1) a market analysis of the business opportunities and needs created by the laws enumerated in paragraph (a), including local, state, national, and international markets;

(2) an analysis of the labor force needs related to the market analysis opportunities identified in clause (1), including educational, training, and retraining needs; and

(3) an inventory of the current labor and business assets available to respond to the opportunities identified in clause (1) and the labor needs identified in clause (2).

The task force shall contract for the analysis required by this paragraph.

Subd. 3. **Expiration.** The task force expires June 30, 2009.

ARTICLE 7
AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>(200,000)</u> \$	<u>388,000</u> \$	<u>188,000</u>

Sec. 2. **APPROPRIATIONS.**

104.1 The sums shown in the columns marked "Appropriations" are added to or, if shown
104.2 in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 1, to
104.3 the agencies and for the purposes specified in this article. The appropriations are from the
104.4 general fund or another named fund and are available for the fiscal years indicated for
104.5 each purpose. The figures "2008" and "2009" used in this article mean that the addition
104.6 to or subtraction from the appropriation listed under them is available for the fiscal year
104.7 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
104.8 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
104.9 day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2008</u>	<u>2009</u>

104.14	Sec. 3. <u>AGRICULTURE</u>	\$	<u>(200,000)</u>	\$	<u>388,000</u>
104.15	<u>\$302,000 is a reduction in 2009. The</u>				
104.16	<u>commissioner shall make a reduction of</u>				
104.17	<u>\$100,000 from agricultural marketing,</u>				
104.18	<u>\$100,000 shall come from efficiencies gained</u>				
104.19	<u>by the merger of the Agriculture Resources</u>				
104.20	<u>Management and Development Division and</u>				
104.21	<u>the Agriculture Finance Division, and the</u>				
104.22	<u>remainder shall come from a reduction in</u>				
104.23	<u>administrative services in Saint Paul.</u>				
104.24	<u>\$1,000,000 in 2009 is for the livestock</u>				
104.25	<u>investment grant program in new Minnesota</u>				
104.26	<u>Statutes, section 17.118, if enacted. The</u>				
104.27	<u>commissioner may use up to 4-1/2 percent</u>				
104.28	<u>of this appropriation for costs incurred to</u>				
104.29	<u>administer the program. This is a onetime</u>				
104.30	<u>appropriation and is available until spent.</u>				
104.31	<u>The \$200,000 appropriation in Laws 2007,</u>				
104.32	<u>chapter 45, article 1, section 3, subdivision</u>				
104.33	<u>4, for a grant to the Elk River Economic</u>				
104.34	<u>Development Authority for a bioenergy</u>				
104.35	<u>project is canceled to the general fund.</u>				

105.1 \$310,000 is a reduction in 2009 of the
105.2 appropriation for ethanol producer payments
105.3 in Laws 2007, chapter 45, article 1, section
105.4 3, subdivision 4. This reduction is onetime.
105.5 By January 15, 2009, the commissioner shall
105.6 report to the house and senate committees
105.7 with jurisdiction over agriculture finance
105.8 a proposal for paying unpaid claimants of
105.9 an entity no longer producing ethanol on a
105.10 commercial scale at the location for which it
105.11 qualified for producer payments.

105.12 Sec. 4. **BOARD OF ANIMAL HEALTH.**

105.13 Notwithstanding Minnesota Statutes, section
105.14 35.085, the Board of Animal Health shall
105.15 make a onetime grant of up to \$12,000 to
105.16 a beef cattle producer from the \$100,000
105.17 appropriation for reimbursements in Laws
105.18 2007, chapter 45, article 1, section 4. The
105.19 eligible beef cattle producer is located
105.20 outside of a bovine tuberculosis containment
105.21 area and purchased certified tuberculosis-free
105.22 cattle yet sustained financial losses beyond
105.23 the producer's control due to restrictions
105.24 imposed by the Board of Animal Health that
105.25 effectively denied the producer the ability
105.26 to sell the tuberculosis-free cattle during
105.27 favorable market conditions.

105.28 Sec. 5. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

105.29 Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash
105.30 payments to producers of ethanol located in the state that have begun production at a
105.31 specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds
105.32 a controlling interest in more than one ethanol plant is considered a single producer.
105.33 The amount of the payment for each producer's annual production, except as provided
105.34 in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific

location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

107.1 (e) By the last day of October, January, April, and July, each producer shall file a
107.2 claim for payment for ethanol production during the preceding three calendar months.
107.3 A producer that files a claim under this subdivision shall include a statement of the
107.4 producer's total ethanol production in Minnesota during the quarter covered by the claim.
107.5 For each claim and statement of total ethanol production filed under this subdivision,
107.6 the volume of ethanol production must be examined by an independent certified public
107.7 accountant in accordance with standards established by the American Institute of Certified
107.8 Public Accountants.

107.9 (f) Payments shall be made November 15, February 15, May 15, and August 15. A
107.10 separate payment shall be made for each claim filed. Except as provided in paragraph (g),
107.11 the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

107.12 (g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner
107.13 shall make an additional payment in the fourth quarter of each fiscal year to ethanol
107.14 producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the
107.15 year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during
107.16 the first three quarters of the fiscal year due to plant outages, repair, or major maintenance.
107.17 Total payments to an ethanol producer in a fiscal year, including any payment under this
107.18 paragraph, must not exceed the total amount the producer is eligible to receive based on
107.19 the producer's approved production capacity. The provisions of this paragraph apply only
107.20 to production losses that occur in quarters beginning after December 31, 1999.

107.21 (h) The commissioner shall reimburse ethanol producers for any deficiency in
107.22 payments during earlier quarters if the deficiency occurred because of unallotment or
107.23 because appropriated money was insufficient to make timely payments in the full amount
107.24 provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in
107.25 this subdivision, the commissioner shall begin making payments for earlier deficiencies in
107.26 each fiscal year that appropriations for ethanol payments exceed the amount required to
107.27 make eligible scheduled payments. Payments for earlier deficiencies must continue until
107.28 the deficiencies for each producer are paid in full, except the commissioner shall not make
107.29 a deficiency payment to an entity that no longer produces ethanol on a commercial scale
107.30 at the location for which the entity qualified for producer payments, or to an assignee of
107.31 the entity.

107.32 (i) The commissioner may make direct payments to producers of rural economic
107.33 infrastructure with any amount of the annual appropriation for ethanol producer payments
107.34 and rural economic infrastructure that is in excess of the amount required to make
107.35 scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

108.1 Sec. 6. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

108.2 Subd. 4. Bioenergy and Value-Added		
108.3 Agricultural Products	19,918,000	15,168,000

108.4 \$15,168,000 the first year and \$15,168,000

108.5 the second year are for ethanol producer

108.6 payments under Minnesota Statutes, section

108.7 41A.09. If the total amount for which all

108.8 producers are eligible in a quarter exceeds

108.9 the amount available for payments, the

108.10 commissioner shall make payments on a

108.11 pro rata basis. If the appropriation exceeds

108.12 the total amount for which all producers

108.13 are eligible in a fiscal year for scheduled

108.14 payments and for deficiencies in payments

108.15 during previous fiscal years, the balance

108.16 in the appropriation is available to the

108.17 commissioner for value-added agricultural

108.18 programs including the value-added

108.19 agricultural product processing and

108.20 marketing grant program under Minnesota

108.21 Statutes, section 17.101, subdivision 5. The

108.22 appropriation remains available until spent.

108.23 \$3,000,000 the first year is for grants to

108.24 bioenergy projects. The NextGen Energy

108.25 Board shall make recommendations to

108.26 the commissioner on grants for owners of

108.27 Minnesota facilities producing bioenergy,

108.28 organizations that provide for on-station,

108.29 on-farm field scale research and outreach to

108.30 develop and test the agronomic and economic

108.31 requirements of diverse stands of prairie

108.32 plants and other perennials for bioenergy

108.33 systems, or certain nongovernmental

108.34 entities. For the purposes of this paragraph,

108.35 "bioenergy" includes transportation fuels

108.36 derived from cellulosic material as well as

109.1 the generation of energy for commercial heat,
109.2 industrial process heat, or electrical power
109.3 from cellulosic material via gasification
109.4 or other processes. The board must give
109.5 priority to a bioenergy facility that is at
109.6 least 60 percent owned and controlled by
109.7 farmers, as defined in Minnesota Statutes,
109.8 section 500.24, subdivision 2, paragraph (n),
109.9 or natural persons residing in the county or
109.10 counties contiguous to where the facility is
109.11 located. Grants are limited to 50 percent of
109.12 the cost of research, technical assistance, or
109.13 equipment related to bioenergy production
109.14 or ~~\$500,000~~ \$1,000,000, whichever is less.
109.15 Grants to nongovernmental entities for the
109.16 development of business plans and structures
109.17 related to community ownership of eligible
109.18 bioenergy facilities together may not exceed
109.19 \$150,000. The board shall make a good
109.20 faith effort to select projects that have
109.21 merit and when taken together represent a
109.22 variety of bioenergy technologies, biomass
109.23 feedstocks, and geographic regions of the
109.24 state. Projects must have a qualified engineer
109.25 certification on the technology and fuel
109.26 source. Grantees shall provide reports at
109.27 the request of the commissioner and must
109.28 actively participate in the Agricultural
109.29 Utilization Research Institute's Renewable
109.30 Energy Roundtable. No later than February
109.31 1, 2009, the commissioner shall report on
109.32 the projects funded under this appropriation
109.33 to the house and senate committees with
109.34 jurisdiction over agriculture finance. The
109.35 commissioner's costs in administering the
109.36 program may be paid from the appropriation.

110.1 \$350,000 the first year is for grants to
110.2 the Minnesota Institute for Sustainable
110.3 Agriculture at the University of Minnesota
110.4 to provide funds for on-station and on-farm
110.5 field scale research and outreach to develop
110.6 and test the agronomic and economic
110.7 requirements of diverse stands of prairie
110.8 plants and other perennials for bioenergy
110.9 systems including, but not limited to,
110.10 multiple species selection and establishment,
110.11 ecological management between planting
110.12 and harvest, harvest technologies, financial
110.13 and agronomic risk management, farmer
110.14 goal setting and adoption of technologies,
110.15 integration of wildlife habitat into
110.16 management approaches, evaluation of
110.17 carbon and other benefits, and robust policies
110.18 needed to induce farmer conversion on
110.19 marginal lands.* **(The preceding text**
110.20 **beginning "\$350,000 the first year" was**
110.21 **indicated as vetoed by the governor.)**
110.22 \$200,000 the first year is for a grant to the
110.23 Minnesota Turf Seed Council for basic
110.24 and applied agronomic research on native
110.25 plants, including plant breeding, nutrient
110.26 management, pest management, disease
110.27 management, yield, and viability. The grant
110.28 recipient may subcontract with a qualified
110.29 third party for some or all of the basic
110.30 or applied research. The grant recipient
110.31 must actively participate in the Agricultural
110.32 Utilization Research Institute's Renewable
110.33 Energy Roundtable and no later than
110.34 February 1, 2009, must report to the house
110.35 and senate committees with jurisdiction

111.1 over agriculture finance. This is a onetime
111.2 appropriation and is available until spent.

111.3 \$200,000 the first year is for a grant to a joint
111.4 venture combined heat and power energy
111.5 facility located in Scott or LeSueur County
111.6 for the creation of a centrally located biomass
111.7 fuel supply depot with the capability of
111.8 unloading, processing, testing, scaling, and
111.9 storing renewable biomass fuels. The grant
111.10 must be matched by at least \$3 of nonstate
111.11 funds for every \$1 of state funds. The grant
111.12 recipient must actively participate in the
111.13 Agricultural Utilization Research Institute's
111.14 Renewable Energy Roundtable and no
111.15 later than February 1, 2009, must report
111.16 to the house and senate committees with
111.17 jurisdiction over agriculture finance. This is
111.18 a onetime appropriation and is available until
111.19 spent.

111.20 \$300,000 the first year is for a grant to the
111.21 Bois Forte Band of Chippewa for a feasibility
111.22 study of a renewable energy biofuels
111.23 demonstration facility on the Bois Forte
111.24 Reservation in St. Louis and Koochiching
111.25 Counties. The grant shall be used by the Bois
111.26 Forte Band to conduct a detailed feasibility
111.27 study of the economic and technical viability
111.28 of developing a multistream renewable
111.29 energy biofuels demonstration facility
111.30 on Bois Forte Reservation land to utilize
111.31 existing forest resources, woody biomass,
111.32 and cellulosic material to produce biofuels or
111.33 bioenergy. The grant recipient must actively
111.34 participate in the Agricultural Utilization
111.35 Research Institute's Renewable Energy
111.36 Roundtable and no later than February 1,

112.1 2009, must report to the house and senate
112.2 committees with jurisdiction over agriculture
112.3 finance. This is a onetime appropriation and
112.4 is available until spent.

112.5 \$300,000 the first year is for a grant to
112.6 the White Earth Band of Chippewa for a
112.7 feasibility study of a renewable energy
112.8 biofuels production, research, and production
112.9 facility on the White Earth Reservation in
112.10 Mahnomen County. The grant must be used
112.11 by the White Earth Band and the University
112.12 of Minnesota to conduct a detailed feasibility
112.13 study of the economic and technical viability
112.14 of (1) developing a multistream renewable
112.15 energy biofuels demonstration facility on
112.16 White Earth Reservation land to utilize
112.17 existing forest resources, woody biomass,
112.18 and cellulosic material to produce biofuels or
112.19 bioenergy, and (2) developing, harvesting,
112.20 and marketing native prairie plants and seeds
112.21 for bioenergy production. The grant recipient
112.22 must actively participate in the Agricultural
112.23 Utilization Research Institute's Renewable
112.24 Energy Roundtable and no later than
112.25 February 1, 2009, must report to the house
112.26 and senate committees with jurisdiction
112.27 over agriculture finance. This is a onetime
112.28 appropriation and is available until spent.

112.29 \$200,000 the first year is for a grant to the Elk
112.30 River Economic Development Authority for
112.31 upfront engineering and a feasibility study
112.32 of the Elk River renewable fuels facility.
112.33 The facility must use a plasma gasification
112.34 process to convert primarily cellulosic
112.35 material, but may also use plastics and other
112.36 components from municipal solid waste, as

113.1 feedstock for the production of methanol
113.2 for use in biodiesel production facilities.
113.3 Any unencumbered balance in fiscal year
113.4 2008 does not cancel but is available for
113.5 fiscal year 2009. Notwithstanding Minnesota
113.6 Statutes, section 16A.285, the agency must
113.7 not transfer this appropriation. The grant
113.8 recipient must actively participate in the
113.9 Agricultural Utilization Research Institute's
113.10 Renewable Energy Roundtable and no
113.11 later than February 1, 2009, must report
113.12 to the house and senate committees with
113.13 jurisdiction over agriculture finance. This is
113.14 a onetime appropriation and is available until
113.15 spent.

113.16 \$200,000 the first year is for a grant to
113.17 Chisago County to conduct a detailed
113.18 feasibility study of the economic and
113.19 technical viability of developing a
113.20 multistream renewable energy biofuels
113.21 demonstration facility in Chisago, Isanti,
113.22 or Pine County to utilize existing forest
113.23 resources, woody biomass, and cellulosic
113.24 material to produce biofuels or bioenergy.
113.25 Chisago County may expend funds to Isanti
113.26 and Pine Counties and the University of
113.27 Minnesota for any costs incurred as part
113.28 of the study. The feasibility study must
113.29 consider the capacity of: (1) the seed bank
113.30 at Wild River State Park to expand the
113.31 existing prairie grass, woody biomass, and
113.32 cellulosic material resources in Chisago,
113.33 Isanti, and Pine Counties; (2) willing and
113.34 interested landowners in Chisago, Isanti, and
113.35 Pine Counties to grow cellulosic materials;
113.36 and (3) the Minnesota Conservation Corps,

the sentence to serve program, and other
existing workforce programs in east central
Minnesota to contribute labor to these efforts.
The grant recipient must actively participate
in the Agricultural Utilization Research
Institute's Renewable Energy Roundtable and
no later than February 1, 2009, must report
to the house and senate committees with
jurisdiction over agriculture finance. This is
a onetime appropriation and is available until
spent.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 8
VETERANS AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	<u>-0-</u>	\$	<u>4,145,000</u>	<u>4,145,000</u>
<u>Special Revenue</u>		<u>-0-</u>		<u>(338,000)</u>	<u>(338,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

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115.1 **Sec. 3. VETERANS AFFAIRS**

115.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,807,000</u>
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115.3 The appropriation additions or reductions
115.4 for each purpose are shown in the following
115.5 paragraphs.

115.6 \$500,000 in 2009 is added to the base for
115.7 grants to counties for veterans service offices
115.8 as provided under Laws 2007, chapter 45,
115.9 article 2, section 1, paragraph (b). This is a
115.10 onetime appropriation.

115.11 \$2,500,000 in 2009 is for state soldiers
115.12 assistance under Minnesota Statutes, section
115.13 197.05. Of this amount, \$1,500,000 is
115.14 added to the base for this activity. This
115.15 appropriation is available until spent. The
115.16 appropriation for state soldiers assistance
115.17 for 2009 in Laws 2007, chapter 45, article
115.18 2, section 1, is available in 2008 if the
115.19 appropriation for 2008 is insufficient.

115.20 \$500,000 in 2009 is for casework services for
115.21 veterans. The commissioner, in consultation
115.22 with the Department of Administration,
115.23 shall use the request for proposal process in
115.24 Minnesota Statutes, chapter 16C, to solicit
115.25 bids for the provision of these services.

115.26 The casework services provided should be
115.27 community-based, available statewide, and
115.28 include in-home counseling.

115.29 \$220,000 in 2009 is added to the base for
115.30 operations of the LinkVET telephone line
115.31 service for veterans.

115.32 For purposes of efficiency, the commissioner
115.33 must combine the services available through
115.34 the toll-free higher education call center

116.1 for veterans with those available through
116.2 LinkVET.

116.3 \$250,000 in 2009 is for a grant to the
116.4 Minnesota Assistance Council for Veterans
116.5 for their work in helping veterans and their
116.6 families affected by homelessness.

116.7 \$250,000 in 2009 is for the Veterans Claims
116.8 Office for outreach and training to improve
116.9 services and benefits to veterans. This
116.10 appropriation includes money to add veterans
116.11 service officer/coordinator positions,
116.12 including one to assist female veterans.

116.13 \$25,000 in 2009 is to develop a pilot program
116.14 for peer-to-peer counseling among combat
116.15 veterans. This is a onetime appropriation.

116.16 \$338,000 is a reduction in 2009 from the
116.17 special revenue fund appropriation from the
116.18 account established in Minnesota Statutes,
116.19 section 190.19.

116.20 \$200,000 in 2009 is a onetime appropriation
116.21 for:

116.22 (1) an intergovernmental and veterans
116.23 strategic planning study for the Minnesota
116.24 veterans homes, with special emphasis
116.25 on exploring alternative models for the
116.26 Minneapolis veterans home;

116.27 (2) a study of the feasibility of partnering
116.28 for home-based services for veterans with
116.29 nongovernmental, nonprofit, or faith-based
116.30 social service and health care delivery
116.31 organizations, as a means of enabling
116.32 veterans to live more independently, as an
116.33 alternative to the projected sharply increasing
116.34 needs for domiciliary and skilled nursing

117.1 beds in state veterans homes. This is a
117.2 onetime appropriation; and
117.3 (3) designing a treatment program for
117.4 veterans with traumatic brain injuries within
117.5 the state veterans homes.
117.6 \$300,000 is a reduction in 2009 for
117.7 the Veterans Homes Board. The base
117.8 appropriation for fiscal years 2010 and 2011
117.9 is reduced by \$300,000 in each year. This
117.10 reduction is made possible by the enhanced
117.11 efficiency in administration of the homes
117.12 associated with the transfer of governing
117.13 authority from the Veterans Homes Board to
117.14 the commissioner of veterans affairs.

117.15 Subd. 2. **Report to the Legislature**

117.16 By January 15, 2009, the commissioner shall
117.17 report to the chairs and ranking minority
117.18 members of the legislative committees and
117.19 divisions with jurisdiction over veterans
117.20 affairs policy and finance regarding activities
117.21 and expenditures in programs receiving an
117.22 appropriation in this article.

117.23 Sec. 4. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision
117.24 to read:

117.25 Subd. 6. **World War II memorial donation match account.** Money remaining
117.26 in the World War II memorial donation match account after the state share of the
117.27 construction costs of the World War II memorial has been paid in full is appropriated to the
117.28 commissioner of veterans affairs for services and programs for veterans and their families.

117.29 Sec. 5. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

117.30 Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is
117.31 established in the special revenue fund. The account shall consist of contributions from
117.32 private sources and appropriations. Money in the account is appropriated in equal shares
117.33 to the Department of Military Affairs and the Department of Veterans Affairs.

EFFECTIVE DATE. Notwithstanding Laws 2007, chapter 45, article 2, section 1, and article 3, section 2, subdivision 3, this section is effective for distribution of the Minnesota "Support Our Troops" account the day following final enactment.

Sec. 6. Minnesota Statutes 2006, section 190.19, is amended by adding a subdivision to read:

Subd. 2a. Uses; veterans. Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

(1) grants to veterans service organizations; and

(2) outreach to underserved veterans.

Sec. 7. Laws 2007, chapter 144, article 1, section 7, is amended to read:

Sec. 7. **DEPARTMENT OF VETERANS AFFAIRS.**

	\$	6,000,000	\$	6,000,000
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For grants to eligible veterans or the eligible spouses and children of veterans as provided under Minnesota Statutes, section 197.791.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Of this appropriation, no more than ~~three~~ percent \$100,000 each year may be used for the administrative costs of operating this program.

On June 1, 2009, the commissioner of finance must determine the amount needed to fully fund the grant program under Minnesota Statutes, section 197.791, and must adjust the appropriations in this section to the amount needed to provide grants for all eligible veterans.

ARTICLE 9

MILITARY AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

119.1 The amounts shown in this section summarize direct appropriations, by fund, made
119.2 in this article.

119.3		<u>2008</u>		<u>2009</u>	<u>Total</u>
119.4	<u>General</u>	\$	<u>-0-</u>	\$ <u>390,000</u>	<u>390,000</u>
119.5	<u>Special Revenue</u>		<u>-0-</u>	<u>(338,000)</u>	<u>(338,000)</u>

119.6 Sec. 2. APPROPRIATIONS.

119.7 The sums shown in the columns marked "Appropriations" are added to or, if shown
119.8 in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 3, to
119.9 the agencies and for the purposes specified in this article. The appropriations are from the
119.10 general fund or another named fund and are available for the fiscal years indicated for
119.11 each purpose. The figures "2008" and "2009" used in this article mean that the addition
119.12 to or subtraction from the appropriation listed under them is available for the fiscal year
119.13 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
119.14 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
119.15 day following final enactment.

119.16		<u>APPROPRIATIONS</u>
119.17		<u>Available for the Year</u>
119.18		<u>Ending June 30</u>
119.19		<u>2008</u> <u>2009</u>

119.20	Sec. 3. <u>MILITARY AFFAIRS</u>	\$	<u>-0-</u>	\$	<u>52,000</u>
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119.21 \$75,000 in 2009 is to establish a state
119.22 enhancement of the employer support of the
119.23 guard and reserve program. The funding
119.24 base for this activity is \$35,000 each year in
119.25 fiscal years 2010 and 2011.

119.26 \$135,000 in 2009 is to make \$1,000 biannual
119.27 bonus payments to National Guard medics
119.28 who meet recertification requirements during
119.29 the fiscal year.

119.30 \$180,000 in 2009 is to add "state navigator"
119.31 positions to coordinate state agency programs
119.32 and activities to support and assist soldiers
119.33 and their families during and after the
119.34 reintegration process.

120.1 \$338,000 is a reduction in 2009 from the
120.2 special revenue fund appropriation from the
120.3 account established in Minnesota Statutes,
120.4 section 190.19.

120.5 Sec. 4. Minnesota Statutes 2007 Supplement, section 190.19, subdivision 2, is
120.6 amended to read:

120.7 Subd. 2. **Uses.** (a) Money appropriated from the Minnesota "Support Our Troops"
120.8 account to the Department of Military Affairs may be used for:

120.9 (1) grants directly to eligible individuals;

120.10 (2) grants to one or more eligible foundations for the purpose of making grants to
120.11 eligible individuals, as provided in this section; ~~or~~

120.12 (3) veterans' services; or

120.13 (4) grants to family readiness groups chartered by the adjutant general.

120.14 (b) As used in paragraph (a), the term; "eligible individual" includes any person
120.15 who is:

120.16 (1) a member of the Minnesota National Guard or a reserve unit based in Minnesota
120.17 who has been called to active service as defined in section 190.05, subdivision 5;

120.18 (2) a Minnesota resident who is a member of a military reserve unit not based
120.19 in Minnesota, if the member is called to active service as defined in section 190.05,
120.20 subdivision 5;

120.21 (3) any other Minnesota resident performing active service for any branch of the
120.22 military of the United States;

120.23 (4) a person who served in one of the capacities listed in clause (1), (2), or (3) who
120.24 has current financial needs directly related to that service; and

120.25 (5) a member of the immediate family of an individual identified in clause (1), (2),
120.26 (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse
120.27 and minor children and, if they are dependents of the member of the military, the member's
120.28 parents, grandparents, siblings, stepchildren, and adult children.

120.29 (c) As used in paragraph (a), the term "eligible foundation" includes any organization
120.30 that:

120.31 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue
120.32 Code;

120.33 (2) has articles of incorporation under chapter 317A specifying the purpose of
120.34 the organization as including the provision of financial assistance to members of the

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121.1 Minnesota National Guard and other United States armed forces reserves and their
121.2 families and survivors; and

121.3 (3) agrees in writing to distribute any grant money received from the adjutant general
121.4 under this section to eligible individuals as defined in this section and in accordance
121.5 with any written policies and rules the adjutant general may impose as conditions of the
121.6 grant to the foundation.

121.7 (d) The maximum grant awarded to an eligible individual under paragraph (a) in a
121.8 calendar year with funds from the Minnesota "Support Our Troops" account, either through
121.9 an eligible institution or directly from the adjutant general, may not exceed \$2,000.

121.10 Sec. 5. Minnesota Statutes 2006, section 190.25, subdivision 3, is amended to read:

121.11 Subd. 3. **Sale; use of funds.** The adjutant general is authorized to sell in the manner
121.12 provided by law any or all

121.13 (1) land, and

121.14 (2) ~~timber~~, growing crops, buildings, and other improvements, if any, situated upon
121.15 the land, acquired under the authority of subdivision 1 or which may hereafter comprise
121.16 the Camp Ripley Military Field Training Center and not needed for military training
121.17 purposes. The proceeds of any sales shall be deposited in the general fund.

121.18 The adjutant general may use funds that are directly appropriated for the acquisition
121.19 of land, the payment of expenses of forest management on land forming the Camp
121.20 Ripley Military Reservation, and the provision of an Enlisted Person's Service Center. If
121.21 amounts that are directly appropriated for these purposes in either year of a biennium are
121.22 insufficient, the appropriation for the other year of the biennium is available.

121.23 Sec. 6. Minnesota Statutes 2006, section 190.25, is amended by adding a subdivision
121.24 to read:

121.25 Subd. 3a. **Timber sales; use of funds.** The adjutant general is authorized to sell
121.26 in the manner provided by law any or all timber on land acquired under the authority of
121.27 subdivision 1 or which may hereafter comprise the Camp Ripley Military Field Training
121.28 Center. The proceeds of any sales of timber under this subdivision must be deposited in an
121.29 account in the special revenue fund and are appropriated to the adjutant general to be used
121.30 to manage the timber resources of Camp Ripley in a manner consistent with the camp's
121.31 purpose as lands for training armed forces.

121.32 Sec. 7. **[192.341] STATE ENHANCED EMPLOYER SUPPORT OF GUARD**
121.33 **AND RESERVE (ESGR) PROGRAM.**

122.1 The adjutant general is authorized to establish and administer a state enhancement
122.2 to the federal Employer Support of Guard and Reserve (ESGR) Program. The adjutant
122.3 general shall develop policy and guidelines for the administration of the program
122.4 established under this section.

122.5 Sec. 8. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
122.6 to read:

122.7 Subd. 1c. **Medic recertification bonus program.** (a) The adjutant general
122.8 may establish a program to provide a recertification bonus to eligible members of the
122.9 Minnesota National Guard who recertify as emergency medical technicians (EMTs) in
122.10 the National Guard within the limitations of this subdivision. The bonus payments are
122.11 intended to generally encourage a member's continuing certification as an EMT.

122.12 (b) Eligibility for the recertification bonus is limited to a member of the National
122.13 Guard who:

122.14 (1) is serving satisfactorily as determined by the adjutant general; and

122.15 (2) has successfully completed the training required for recertification and warrants
122.16 the payment of a bonus.

122.17 (c) The adjutant general may, within the limitations of this subdivision and other
122.18 applicable laws, determine additional eligibility criteria for the bonus, and must specify all
122.19 of the criteria in regulations and publish changes as necessary.

122.20 (d) Payments under this subdivision must be made on a schedule that is determined
122.21 and published in department regulations by the adjutant general.

122.22 Sec. 9. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
122.23 to read:

122.24 Subd. 2a. **Usage of tuition and textbook reimbursement grant program by**
122.25 **spouse permitted.** (a) Notwithstanding the eligibility limitations of subdivision 2,
122.26 paragraph (b), the spouse of a person eligible under subdivision 2, paragraph (b), is
122.27 eligible to use up to 12 semester hours per year, or the equivalent amount of quarter
122.28 credits, of that eligible person's unused tuition reimbursement benefit for each year of
122.29 service in the Minnesota National Guard after the eighth year of such service.

122.30 (b) Total benefits under this subdivision cannot exceed the total unused portion of
122.31 the service member's benefit. A service member's and spouse's eligibility for tuition
122.32 reimbursement under this subdivision is limited by the provisions of subdivision 2,
122.33 paragraph (g).

Sec. 10. STARBASE STUDY.

The appropriation in Laws 2007, chapter 45, article 3, section 2, subdivision 3, for a longitudinal study measuring improvement in academic achievement as a result of participation in the Starbase program is available until June 30, 2009. The Department of Military Affairs must contract with the Wilder Foundation to conduct the study.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. NATIONAL GUARD YOUTH CHALLENGE PROGRAM STUDY.

The adjutant general and the Department of Military Affairs shall study participation by the Minnesota National Guard in the National Guard Youth Challenge Program promoted by the National Guard Youth Foundation. The adjutant general shall report on the study and make recommendations to the governor and the committees of the senate and the house of representatives with jurisdiction over National Guard programs by January 15, 2009. The study must include:

- (1) possible locations for the Minnesota National Guard Youth Challenge Program;
- (2) estimated start-up costs for the program;
- (3) application and establishment procedures and resources required to apply for and establish the program; and
- (4) a survey of similar programs established in other states and how each state comes up with the state match required to obtain federal funds.

ARTICLE 10
ECONOMIC DEVELOPMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$ (2,425,000)</u>	<u>\$ 1,512,000</u>	<u>\$ (913,000)</u>

Sec. 2. APPROPRIATIONS.

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 135, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively.

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124.1 "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium"
124.2 is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are
124.3 effective the day following final enactment.

124.4	<u>APPROPRIATIONS</u>	
124.5	<u>Available for the Year</u>	
124.6	<u>Ending June 30</u>	
124.7	<u>2008</u>	<u>2009</u>

124.8 **Sec. 3. EMPLOYMENT AND ECONOMIC**
124.9 **DEVELOPMENT**

124.10	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(3,000,000)</u>	\$	<u>445,000</u>
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124.11 The appropriation additions or reductions
124.12 for each purpose are shown in the following
124.13 subdivisions.

124.14	<u>Subd. 2. Employment and Economic</u>		
124.15	<u>Development</u>	<u>-0-</u>	<u>(550,000)</u>

124.16 This is an ongoing base reduction to
124.17 the department's operating budget. This
124.18 reduction must not result in layoffs.

124.19	<u>Subd. 3. Business and Community</u>		
124.20	<u>Development</u>	<u>(3,000,000)</u>	800,000

124.21 (a) \$400,000 in the second year is for the
124.22 establishment and operation of the Office of
124.23 Science and Technology. This is a onetime
124.24 appropriation and is available until expended.

124.25 (b) \$400,000 in the second year is a onetime
124.26 appropriation for transfer to the revolving
124.27 loan account created in Minnesota Statutes,
124.28 section 116J.996, subdivision 3, for the
124.29 military reservist economic injury loan
124.30 program, resulting from a call to active
124.31 military duty.

124.32	Subd. 4. Workforce Development	<u>-0-</u>	195,000
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124.33 (a) \$120,000 in the second year is for a
124.34 grant to HIRED to operate its industry
124.35 sector training initiatives, which provide

125.1 employee training developed in collaboration
125.2 with employers in specific, high-demand
125.3 industries. This is a onetime appropriation.
125.4 (b) \$75,000 in the second year is for a grant
125.5 to Lifetrack Resources for a onetime pilot
125.6 project in Rochester focusing on immigrant
125.7 and refugee collaborative programs,
125.8 including those related to job-seeking skills
125.9 and workplace orientation, intensive job
125.10 development, functional work English, and
125.11 on-site job coaching. This is a onetime
125.12 appropriation and is available until expended.

125.13 Subd. 5. **Cancellations**

125.14 By July 31, 2008, the commissioner of
125.15 finance shall cancel the unencumbered
125.16 balance of the appropriation in Laws 2005,
125.17 First Special Session chapter 3, article 10,
125.18 section 23, to the foreign trade zone authority,
125.19 estimated to be \$608,000, to the general fund.

125.20 By July 31, 2008, the commissioner of
125.21 finance shall cancel \$2,000,000 of the
125.22 balance in the job skills partnership account
125.23 to the general fund.

125.24 Subd. 6. **Transfers In**

125.25 By July 31, 2008, the commissioner of
125.26 finance shall transfer the unencumbered
125.27 balance of the appropriation in Laws
125.28 2005, First Special Session chapter 1,
125.29 article 3, section 2, subdivision 2, for
125.30 the methamphetamine laboratory cleanup
125.31 revolving loan account in the public facilities
125.32 authority fund, estimated to be \$150,000, to
125.33 the general fund.

126.1 By July 31, 2008, the commissioner of
126.2 finance shall transfer \$8,000,000 of the
126.3 unencumbered balance in the workforce
126.4 development fund to the general fund.
126.5 Subd. 7. **Minnesota Minerals 21st Century**
126.6 **Fund**

126.7 Notwithstanding Minnesota Statutes,
126.8 section 116J.423, by June 30, 2009, the
126.9 commissioner shall make a \$1,000,000 grant
126.10 and a \$1,000,000 loan from the Minnesota
126.11 Minerals 21st Century Fund to Magnetation,
126.12 Inc. for reclamation of iron ore.

126.13 Sec. 4. **LABOR AND INDUSTRY**

126.14	<u>Subdivision 1. Base Reduction</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(43,000)</u>
126.15	<u>\$43,000 in the second year is a base</u>				
126.16	<u>reduction. The commissioner must not</u>				
126.17	<u>reduce funding available for prevailing wage</u>				
126.18	<u>enforcement and must fill all positions when</u>				
126.19	<u>vacancies become available.</u>				

126.20 Subd. 2. **Transfers In**

126.21 By June 30, 2009, the commissioner of
126.22 finance shall transfer \$2,000,000 from the
126.23 construction code fund under Minnesota
126.24 Statutes, section 326B.04, to the general
126.25 fund.

126.26	<u>Sec. 5. BUREAU OF MEDIATION</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(69,000)</u>
126.27	<u>SERVICES</u>				

126.28 This is a base reduction.

126.29	<u>Sec. 6. EXPLORE MINNESOTA TOURISM</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,299,000</u>
126.30	<u>(a) \$1,299,000 is for a grant to the Minnesota</u>				
126.31	<u>Film and TV Board for the jobs production</u>				
126.32	<u>program under Minnesota Statutes, section</u>				

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127.1 116U.26. This is a onetime appropriation and
127.2 is in addition to any other appropriation for
127.3 the jobs program under Minnesota Statutes,
127.4 section 116U.26. This appropriation is
127.5 available until expended.

127.6 (b) \$500,000 of the balance in the special
127.7 marketing account established pursuant to
127.8 Laws 2005, First Special Session chapter
127.9 1, article 3, section 6, must be used for a
127.10 onetime grant to the Minnesota Film and
127.11 TV Board for the production of a film in
127.12 Minnesota in calendar years 2008 and 2009.
127.13 The grant is in addition to any payments
127.14 made for the same purpose from the film
127.15 production jobs program under Minnesota
127.16 Statutes, section 116U.26. This appropriation
127.17 is available until expended.

127.18	Sec. 7. <u>HOUSING FINANCE AGENCY</u>	\$	<u>-0-</u>	\$	<u>(200,000)</u>
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127.19 This is a onetime reduction.

127.20	Sec. 8. <u>MINNESOTA BOXING</u>			
127.21	COMMISSION	\$	-0-	\$ 80,000

127.22 This amount is added to the commission's or
127.23 its successor's base budget.

127.24	Sec. 9. <u>MINNESOTA HISTORICAL</u>			
127.25	<u>SOCIETY</u>	\$	575,000	\$ -0-

127.26 \$575,000 in the first year is a onetime
127.27 appropriation for the Minnesota
127.28 Sesquicentennial Commission. The
127.29 Minnesota Historical Society, the State Arts
127.30 Board, and Explore Minnesota Tourism
127.31 may assist the commission in designing
127.32 and implementing the grants program.
127.33 The commission shall encourage private
127.34 contributions to match the state money to the

128.1 greatest extent possible. Any gifts, pledges,
128.2 membership fees, or contributions received
128.3 by the commission are appropriated to the
128.4 commission. This appropriation is available
128.5 until June 30, 2009.

128.6 Sec. 10. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

128.7 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
128.8 section.

128.9 (b) "Active service" has the meaning given in section 190.05.

128.10 (c) "Commissioner" means the commissioner of employment and economic
128.11 development.

128.12 (d) "Eligible business" means a small business, as defined in section 645.445, that
128.13 was operating in Minnesota on the date a military reservist received orders for active
128.14 service.

128.15 (e) "Essential employee" means a military reservist who is an owner or employee
128.16 of an eligible business and whose managerial or technical expertise is critical to the
128.17 day-to-day operation of the eligible business.

128.18 (f) "Military reservist" means a member of the reserve component of the armed
128.19 forces.

128.20 (g) "Reserve component of the armed forces" has the meaning given it in United
128.21 States Code, title 10, section 101(c).

128.22 (h) "Substantial economic injury" means an economic harm to an eligible business
128.23 that results in the inability of the eligible business to:

128.24 (1) meet its obligations as they mature;

128.25 (2) pay its ordinary and necessary operating expenses; or

128.26 (3) manufacture, produce, market, or provide a product or service ordinarily
128.27 manufactured, produced, marketed, or provided by the eligible business.

128.28 Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans
128.29 of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to
128.30 sustain substantial economic injury as a result of the call to active service for 180 days
128.31 or more of an essential employee. Loans must be made for the purpose of preventing,
128.32 remedying, or ameliorating the substantial economic injury.

128.33 Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated
128.34 for the purpose to establish a revolving loan account. All repayments of loans made
128.35 under this section must be deposited into this account. Interest earned on money in the

129.1 account accrues to the account. Money in the account is appropriated to the commissioner
129.2 for purposes of the loan program created in this section, including costs incurred by the
129.3 commissioner to establish and administer the program.

129.4 Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the
129.5 commissioner shall develop and publish expedited rules for loan applications, use of
129.6 funds, needed collateral, terms of loans, and other details of military reservist economic
129.7 injury loans.

129.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

129.9 Sec. 11. Minnesota Statutes 2006, section 116L.04, subdivision 1, is amended to read:

129.10 Subdivision 1. **Partnership program.** (a) The partnership program may provide
129.11 grants-in-aid to educational or other nonprofit educational institutions using the following
129.12 guidelines:

129.13 (1) the educational or other nonprofit educational institution is a provider of training
129.14 within the state in either the public or private sector;

129.15 (2) the program involves skills training that is an area of employment need; and

129.16 (3) preference will be given to educational or other nonprofit training institutions
129.17 which serve economically disadvantaged people, minorities, or those who are victims of
129.18 economic dislocation and to businesses located in rural areas.

129.19 (b) A single grant to any one institution shall not exceed \$400,000. A portion of a
129.20 grant may be used for preemployment training.

129.21 (c) Each institution must provide for the dissemination of summary results of a
129.22 grant-funded project, including, but not limited to, information about curriculum and
129.23 all supporting materials developed in conjunction with the grant. Results of projects
129.24 developed by any Minnesota State Colleges and Universities system institution must
129.25 be disseminated throughout the system.

129.26 Sec. 12. Minnesota Statutes 2006, section 116L.05, subdivision 3, is amended to read:

129.27 Subd. 3. **Use of funds.** The Job Skills Partnership Board may use up to six percent
129.28 of any funds it receives, regardless of the source, for activities authorized under section
129.29 116L.04, subdivision 2. The board may also use a portion of these funds to collect and
129.30 disseminate information on the activities under section 116L.04, subdivision 2. The board
129.31 must plan for the statewide dissemination of the results, curriculum, and supporting
129.32 materials of these grant-funded projects.

129.33 Sec. 13. Minnesota Statutes 2006, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.04, ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and finance, and to the public.

Sec. 14. Minnesota Statutes 2006, section 116L.16, is amended to read:

116L.16 DISTANCE-WORK GRANTS.

The Job Skills Partnership Board may make grants-in-aid for distance-work projects. The purpose of the grants is to promote distance-work projects involving technology in rural areas and may include a consortium of organizations partnering in the development of rural technology industry. Grants may be used to identify and train rural workers in technology, act as a catalyst to bring together employers and rural employees to perform distance work, and provide rural workers with physical connections to telecommunications infrastructure, where necessary, in order to be self-employed or employed from their homes or satellite offices. Grants must be made according to sections 116L.02 and 116L.04, except that:

(1) the business match may include, but is not limited to, office space; additional management or technology staff costs; start-up equipment costs such as telecommunications infrastructure, additional software, or computer upgrades; consulting fees for implementation of distance-work policies or identification and skill assessment

131.1 of potential employees; and the joint financial contribution of two or more businesses
131.2 acting as a consortium;

131.3 (2) cash or in-kind contributions by partnering organizations may be used as a match;

131.4 (3) eligible grantees may be educational or nonprofit educational training

131.5 organizations; and

131.6 (4) ~~grants-in-aid may be packaged with loans under section 116L.06, subdivision~~

131.7 ~~6; and~~

131.8 ~~(5)~~ with respect to grants serving as a catalyst to bring together employers and rural
131.9 employees to perform distance work, the match must be at least one-to-two.

131.10 The board shall, to the extent there are sufficient applications, make grant awards

131.11 to as many parts of the state as possible. Subject to the requirement for geographic

131.12 distribution of grants, preference shall be given to grant applications that provide the most

131.13 cost-effective training proposals, that provide the best prospects for high-paying jobs

131.14 with high retention rates, or that are from more economically distressed rural areas or

131.15 communities.

131.16 Grantees must meet reporting and evaluation requirements established by the board.

131.17 Sec. 15. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is

131.18 amended to read:

131.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
131.20 have the meanings given them in this subdivision.

131.21 (b) "Commissioner" means the commissioner of employment and economic
131.22 development.

131.23 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the
131.24 time employment ceased or was working in the state at the time employment ceased and:

131.25 (1) has been permanently separated or has received a notice of permanent separation
131.26 from public or private sector employment and is eligible for or has exhausted entitlement
131.27 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

131.28 (2) has been long-term unemployed and has limited opportunities for employment
131.29 or reemployment in the same or a similar occupation in the area in which the individual
131.30 resides, including older individuals who may have substantial barriers to employment by
131.31 reason of age;

131.32 (3) has been terminated or has received a notice of termination of employment as a
131.33 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

132.1 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
132.2 result of general economic conditions in the community in which the individual resides
132.3 or because of natural disasters;

132.4 (5) has been permanently separated from employment in a restaurant, bar, or
132.5 lawful gambling organization from October 1, 2007, to October 1, 2009, due to the
132.6 implementation of any state law prohibiting smoking; ~~or~~

132.7 (6) is a veteran as defined by section 197.447, has been discharged or released from
132.8 active duty under honorable conditions within the last 36 months, and (i) is unemployed
132.9 or (ii) is employed in a job verified to be below the skill level and earning capacity of
132.10 the veteran; or

132.11 ~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who
132.12 has spent a substantial number of years in the home providing homemaking service and
132.13 (i) has been dependent upon the financial support of another; and now due to divorce,
132.14 separation, death, or disability of that person, must find employment to self support; or (ii)
132.15 derived the substantial share of support from public assistance on account of dependents
132.16 in the home and no longer receives such support.

132.17 To be eligible under this clause, the support must have ceased while the worker
132.18 resided in Minnesota.

132.19 (d) "Eligible organization" means a state or local government unit, nonprofit
132.20 organization, community action agency, business organization or association, or labor
132.21 organization.

132.22 (e) "Plant closing" means the announced or actual permanent shutdown of a single
132.23 site of employment, or one or more facilities or operating units within a single site of
132.24 employment.

132.25 (f) "Substantial layoff" means a permanent reduction in the workforce, which is
132.26 not a result of a plant closing, and which results in an employment loss at a single site
132.27 of employment during any 30-day period for at least 50 employees excluding those
132.28 employees that work less than 20 hours per week.

132.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

132.30 Sec. 16. Minnesota Statutes 2006, section 116L.20, subdivision 2, is amended to read:

132.31 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected
132.32 under this section shall be deposited in the state treasury and credited to the workforce
132.33 development fund to provide for employment and training programs. The workforce
132.34 development fund is created as a special account in the state treasury.

133.1 (b) All money in the fund not otherwise appropriated or transferred is appropriated
133.2 to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for
133.3 in paragraph (d). The board must act as the fiscal agent for the money and must disburse
133.4 that money for the purposes of section 116L.17, not allowing the money to be used for
133.5 any other obligation of the state. All money in the workforce development fund shall be
133.6 deposited, administered, and disbursed in the same manner and under the same conditions
133.7 and requirements as are provided by law for the other special accounts in the state treasury,
133.8 except that all interest or net income resulting from the investment or deposit of money in
133.9 the fund shall accrue to the fund for the purposes of the fund.

133.10 (c) Reimbursement for costs related to collection of the special assessment shall be
133.11 in an amount negotiated between the commissioner and the United States Department
133.12 of Labor.

133.13 (d) If the board determines that the conditions of section 116L.05, subdivision 5,
133.14 have been met, the board may use funds for the purposes outlined in sections 116L.04;
133.15 ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training services under
133.16 section 116L.18.

133.17 Sec. 17. Minnesota Statutes 2006, section 116U.26, is amended to read:

133.18 **116U.26 FILM JOBS PRODUCTION PROGRAM.**

133.19 (a) The film production jobs program is created. The program shall be operated
133.20 by the Minnesota Film and TV Board with administrative oversight and control by the
133.21 director of Explore Minnesota Tourism. The program shall make payment to producers
133.22 of feature films, national television or Internet programs, documentaries, music videos,
133.23 and commercials that directly create new film jobs in Minnesota. To be eligible for a
133.24 payment, a producer must submit documentation to the Minnesota Film and TV Board of
133.25 expenditures for production costs incurred in Minnesota that are directly attributable to the
133.26 production in Minnesota of a film product.

133.27 The Minnesota Film and TV Board shall make recommendations to the director of
133.28 Explore Minnesota Tourism about program payment, but the director has the authority to
133.29 make the final determination on payments. The director's determination must be based
133.30 on proper documentation of eligible production costs submitted for payments. No more
133.31 than five percent of the funds appropriated for the program in any year may be expended
133.32 for administration.

133.33 (b) For the purposes of this section:

133.34 (1) "production costs" means the cost of the following:

133.35 (i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a ~~movie~~ feature film, television or Internet show, documentary, music video, or television commercial, whether on film ~~or~~ video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of up to 20 percent of film production costs for films that incur production costs in excess of \$5,000,000 in Minnesota within a 12-month period.

EFFECTIVE DATE. This section is effective for films that are certified by the Minnesota Film and TV Board on or after the day following final enactment.

Sec. 18. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.

(b) Each year no less than one-half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, paragraph (c). The Iron Range Resources and Rehabilitation Board with a majority vote of the members, may waive the requirements of this paragraph.

(c) Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board, ~~this~~ the list of projects approved under this subdivision shall be

submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

EFFECTIVE DATE. This section is effective for distributions beginning in 2009.

Sec. 19. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws 2008, chapter 154, article 8, section 9, is amended to read:

Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all expenditures from the account.

Sec. 20. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws 2008, chapter 154, article 8, section 11, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the

purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner upon approval by a majority vote of the board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 21. Minnesota Statutes 2006, section 298.2961, subdivision 2, is amended to read:

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

- (1) environmentally unique reclamation projects; or
- (2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant; or
- ~~(3) haulage trucks and equipment and mining shovels.~~

(b) To be proposed by the board, a project must be approved by at least eight Iron Range Resources and Rehabilitation Board members. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

(c) The board may require that it receive an equity percentage in any project to which it contributes under this section.

Sec. 22. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

137.1 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
137.2 principal amount that the authority determines necessary to provide sufficient funds for
137.3 achieving its purposes, including the making of loans and purchase of securities, the
137.4 payment of interest on bonds of the authority, the establishment of reserves to secure
137.5 its bonds, the payment of fees to a third party providing credit enhancement, and the
137.6 payment of all other expenditures of the authority incident to and necessary or convenient
137.7 to carry out its corporate purposes and powers, but not including the making of grants.
137.8 Bonds of the authority may be issued as bonds or notes or in any other form authorized
137.9 by law. The principal amount of bonds issued and outstanding under this section at any
137.10 time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or
137.11 crossover refunding bonds have been issued~~-, and excluding any bonds issued for the~~
137.12 credit enhanced bond program or refunding or crossover refunding bonds issued under the
137.13 program. The principal amount of bonds issued and outstanding under section 446A.087,
137.14 may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover
137.15 refunding bonds have been issued.

137.16 Sec. 23. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

137.17 Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes
137.18 which are outstanding at any time, excluding the principal amount of any bonds and
137.19 notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
137.20 ~~\$3,000,000,000~~ \$5,000,000,000.

137.21 Sec. 24. Laws 1999, chapter 223, article 2, section 72, is amended to read:

137.22 Sec. 72. **UPPER RED LAKE BUSINESS LOAN PROGRAM.**

137.23 The commissioner of trade and economic development must make loans to
137.24 businesses in the Upper Red Lake area that have been severely affected by the significant
137.25 decline of the walleye fishing resource in Upper Red Lake. The loans may only be
137.26 made to businesses that operated in 1998. A business must submit an application to the
137.27 commissioner on forms provided by the commissioner. The application must include a
137.28 business plan for continued operation, with the assistance of the loan, until the walleye
137.29 fishing resource recovers. The commissioner shall allocate available loan funds to a
137.30 business based on the commissioner's evaluation of the probable success of its business
137.31 plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from
137.32 the date of the loan and shall be interest free. Repayment of a loan in monthly payments
137.33 of 1/120 of the original principal amount must begin no later than one year after walleye
137.34 fishing on Upper Red Lake is ~~allowed by the department of natural resources~~ recovered

to a bag limit of six. Any principal balance remaining at the end of the ten-year period shall be forgiven if the business continues in operation for the ten-year period. Loan repayments shall be deposited in the general fund.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 25. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Business and Community Development	40,667,000	8,639,000
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Appropriations by Fund

General	39,967,000	7,939,000
Remediation	700,000	700,000

(a) (1) \$250,000 the first year and \$250,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any unencumbered balance in the first year is available for the second year.

139.1 (b) \$250,000 the first year and \$250,000
139.2 the second year are from the general fund
139.3 for a grant to WomenVenture for women's
139.4 business development programs.

139.5 (c) \$250,000 the first year is for a grant to
139.6 University Enterprise Laboratories (UEL)
139.7 for its direct and indirect expenses to support
139.8 efforts to encourage the growth of early-stage
139.9 and emerging bioscience companies. UEL
139.10 must provide a report by June 30 each year
139.11 to the commissioner on the expenditures
139.12 until the appropriation is expended. This is a
139.13 onetime appropriation and is available until
139.14 expended.

139.15 (d) \$2,000,000 the first year is for grants
139.16 under Minnesota Statutes, section 116J.571,
139.17 for the redevelopment grant program. This is
139.18 a onetime appropriation.

139.19 (e) \$100,000 the first year and \$100,000 the
139.20 second year are to help small businesses
139.21 access federal funds through the federal
139.22 Small Business Innovation Research Program
139.23 and the federal Small Business Technology
139.24 Transfer Program. Department services
139.25 must include maintaining connections to
139.26 11 federal programs, assessment of specific
139.27 funding opportunities, review of funding
139.28 proposals, referral to specific consulting
139.29 services, and training workshops throughout
139.30 the state. Unless prohibited by federal law,
139.31 the department must implement fees for
139.32 services that help companies seek federal
139.33 Phase II Small Business Innovation Research
139.34 grants. The recommended fee schedule
139.35 must be reported to the chairs of the house

140.1 of representatives finance committee and
140.2 senate budget division with jurisdiction over
140.3 economic development by February 1, 2008.

140.4 (f) \$100,000 the first year and \$100,000
140.5 the second year are appropriated to the
140.6 Public Facilities Authority for the small
140.7 community wastewater treatment program
140.8 under Minnesota Statutes, chapter 446A.

140.9 (g) \$255,000 the first year and \$155,000
140.10 the second year are from the general fund
140.11 for a grant to the Metropolitan Economic
140.12 Development Association for continuing
140.13 minority business development programs in
140.14 the metropolitan area.

140.15 (h) \$85,000 the first year and \$85,000 the
140.16 second year are for grants to the Minnesota
140.17 Inventors Congress. Of this amount, \$10,000
140.18 each year is for the Student Inventors
140.19 Congress.

140.20 (i) \$151,000 the first year is for a onetime
140.21 grant to the city of Faribault to design,
140.22 construct, furnish, and equip renovations to
140.23 accommodate handicapped accessibility at
140.24 the Paradise Center for the Arts.

140.25 (j) \$750,000 the first year is to Minnesota
140.26 Technology, Inc. for the small business
140.27 growth acceleration program established
140.28 under Minnesota Statutes, section 116O.115.
140.29 This is a onetime appropriation. This
140.30 appropriation does not cancel, but is
140.31 available until June 30, 2011.

140.32 (k) \$300,000 the first year is for a onetime
140.33 grant to the city of Northome for the
140.34 construction of a new municipal building to
140.35 replace the structures damaged by fire on

141.1 July 22, 2006. This appropriation is available
141.2 when the commissioner determines that a
141.3 sufficient match is available from nonstate
141.4 sources to complete the project.

141.5 (l) \$300,000 the first year is for a grant to the
141.6 city of Worthington for an agricultural-based
141.7 bioscience training and testing center. Funds
141.8 appropriated under this section must be used
141.9 to provide a training and testing facility for
141.10 incubator firms developing new agricultural
141.11 processes and products. This is a onetime
141.12 appropriation and is available until expended.

141.13 (m) \$1,750,000 the first year is for a onetime
141.14 grant to BioBusiness Alliance of Minnesota
141.15 for bioscience business development
141.16 programs to promote and position the state
141.17 as a global leader in bioscience business
141.18 activities. These funds may be used for:

141.19 (1) completion and periodic updating of
141.20 a statewide bioscience business industry
141.21 assessment of business technology
141.22 enterprises and Minnesota's competitive
141.23 position employing annual updates to federal
141.24 industry classification data;

141.25 (2) long-term strategic planning that includes
141.26 projections of market changes resulting
141.27 from developments in biotechnology and the
141.28 development of 20-year goals, strategies, and
141.29 identified objectives for renewable energy,
141.30 medical devices, biopharma, and biologics
141.31 business development in Minnesota;

141.32 (3) the design and construction of a
141.33 Minnesota focused bioscience business
141.34 model to test competing strategies and

142.1 scenarios, evaluate options, and forecast
142.2 outcomes; and
142.3 (4) creation of a bioscience business
142.4 resources network that includes development
142.5 of a statewide bioscience business economic
142.6 development framework to encourage
142.7 bioscience business development and
142.8 encourage spin-off activities, attract
142.9 bioscience business location or expansion in
142.10 Minnesota, and establish a local capability to
142.11 support strategic system level planning for
142.12 industry, government, and academia.
142.13 This appropriation is available until June 30,
142.14 2009.
142.15 (n) \$125,000 the first year is to develop and
142.16 operate a bioscience business marketing
142.17 program to market Minnesota bioscience
142.18 businesses and business opportunities
142.19 to other states and other countries. The
142.20 bioscience business marketing program must
142.21 emphasize bioscience business location and
142.22 expansion opportunities in communities
142.23 outside of the seven-county metropolitan
142.24 area as defined in Minnesota Statutes,
142.25 section 473.121, subdivision 2, that have
142.26 established collaborative plans among two
142.27 or more municipal units for bioscience
142.28 business activities, and that are within 15
142.29 miles of a four-year, baccalaureate degree
142.30 granting institution or a two-year technical
142.31 or community college that offers bioscience
142.32 curricula. The commissioner must report
142.33 to the committees of the senate and house
142.34 of representatives having jurisdiction
142.35 over bioscience and technology issues by

143.1 February 1 of each year on the expenditures
143.2 of these funds and the promotional activities
143.3 undertaken to market the Minnesota
143.4 bioscience industry to persons outside of the
143.5 state. This is a onetime appropriation and is
143.6 available until expended.

143.7 (o) \$325,000 is for a grant to the Walker
143.8 Area Community Center, Inc., to construct,
143.9 furnish, and equip the Walker Area
143.10 Community Center. This appropriation is
143.11 not available until the commissioner has
143.12 determined that an amount sufficient to
143.13 complete the project has been committed
143.14 from nonstate sources. This is a onetime
143.15 appropriation and is available until expended.

143.16 (p) \$100,000 the first year is for a grant
143.17 to the Pine Island Economic Development
143.18 Authority for predesign to upgrade and
143.19 extend utilities to serve Elk Run Bioscience
143.20 Research Park and The Falls - Healthy
143.21 Living By Nature, an integrated medicine
143.22 facility. This is a onetime appropriation and
143.23 is available until expended.

143.24 (q) \$350,000 the first year is for a grant
143.25 to Thomson Township for infrastructure
143.26 improvements for the industrial park. This
143.27 is a onetime appropriation and is available
143.28 until expended.

143.29 (r) \$75,000 the first year is for a grant to
143.30 Le Sueur County for the cost of cleaning
143.31 up debris from lakes in Le Sueur County,
143.32 caused by the August 24, 2006, tornado in
143.33 southern Le Sueur County. This is a onetime
143.34 appropriation and is available until expended.

144.1 (s) \$400,000 the first year is for a grant to
144.2 the city of Rogers to be used for relief from
144.3 damages caused by the September 16, 2006,
144.4 tornado.

144.5 (t) \$75,000 the first year is for a grant to
144.6 the city of Warroad for new public facilities
144.7 to replace those damaged or destroyed
144.8 by the August 2006 tornado, including
144.9 approximately 28 new street lights and
144.10 underground electrical circuits and a new
144.11 fish cleaning house. This is a onetime
144.12 appropriation and is available until expended.
144.13 If an appropriation for this purpose is enacted
144.14 more than once in the 2007 session, the
144.15 appropriation is effective only once.

144.16 (u) \$500,000 the first year is for a grant to
144.17 the Upper Sioux Community to improve the
144.18 current water system to ensure continuity
144.19 of service to the entire population of the
144.20 community and to meet the demands of the
144.21 community expansion over the next 20 years.
144.22 The is a onetime appropriation and is not
144.23 available until the Public Facilities Authority
144.24 has determined that at least \$1,000,000 has
144.25 been committed from nonstate sources. This
144.26 appropriation is available until expended.

144.27 *** (The preceding text beginning "(u)**
144.28 **\$500,000 the first year is for" was**
144.29 **indicated as vetoed by the governor.)**

144.30 (v) \$755,000 the first year is for the urban
144.31 challenge grant program under Minnesota
144.32 Statutes, section 116M.18. This is a onetime
144.33 appropriation.

144.34 (w) \$1,100,000 is for a grant to the
144.35 Neighborhood Development Center for

145.1 assistance necessary to retain minority
145.2 business enterprises at the Global Market.
145.3 This is a onetime appropriation and is
145.4 available until expended.

145.5 (x) \$350,000 the first year is for a onetime
145.6 grant to the city of Inver Grove Heights
145.7 to reduce debt on the Inver Grove Heights
145.8 Veterans Memorial Community Center.
145.9 *** (The preceding text beginning "(x)**
145.10 **\$350,000 the first year is for" was**
145.11 **indicated as vetoed by the governor.)**

145.12 (y) \$14,900,000 the first year is for the
145.13 Minnesota minerals 21st century fund created
145.14 in Minnesota Statutes, section 116J.423, to
145.15 partially restore the money unallotted by the
145.16 commissioner of finance in 2003 pursuant
145.17 to Minnesota Statutes, section 16A.152.
145.18 This appropriation may be used as provided
145.19 in Minnesota Statutes, section 116J.423,
145.20 subdivision 2. This appropriation is available
145.21 until expended.

145.22 (z) \$2,500,000 the first year is for a grant to
145.23 the city of St. Paul to be used to pay, redeem,
145.24 or refund debt service costs incurred for the
145.25 River Centre Campus. *** (The preceding**
145.26 **text beginning "(z) \$2,500,000 the first**
145.27 **year is for" was indicated as vetoed by the**
145.28 **governor.)**

145.29 (aa) \$147,000 each year is appropriated from
145.30 the general fund to the commissioner of
145.31 employment and economic development for
145.32 grants of \$49,000 to eligible organizations
145.33 each year and for the purposes of this
145.34 paragraph. Each state grant dollar must be
145.35 matched with \$1 of nonstate funds. Any

146.1 balance in the first year does not cancel but
146.2 is available in the second year. The base for
146.3 these grants in fiscal years 2010 and 2011
146.4 is \$189,000 each year, with each eligible
146.5 organization receiving a \$63,000 grant each
146.6 year.

146.7 The commissioner of employment and
146.8 economic development must make grants to
146.9 organizations to assist in the development
146.10 of entrepreneurs and small businesses.

146.11 Three grants must be awarded to continue
146.12 or to develop a program. One grant must
146.13 be awarded to the Riverbend Center for
146.14 Entrepreneurial Facilitation in Blue Earth
146.15 County, and two to other organizations
146.16 serving Faribault and Martin Counties. Grant
146.17 recipients must report to the commissioner
146.18 by February 1 of each year that the
146.19 organization receives a grant with the
146.20 number of customers served; the number of
146.21 businesses started, stabilized, or expanded;
146.22 the number of jobs created and retained; and
146.23 business success rates. The commissioner
146.24 must report to the house of representatives
146.25 and senate committees with jurisdiction
146.26 over economic development finance on the
146.27 effectiveness of these programs for assisting
146.28 in the development of entrepreneurs and
146.29 small businesses.

146.30 (bb) ~~\$5,000,000~~ \$2,000,000 the first year is
146.31 for grants under Minnesota Statutes, section
146.32 116J.8731, for the Minnesota investment
146.33 fund program. Of this amount, ~~up to~~
146.34 ~~\$3,000,000 may be used for a legal reference~~
146.35 ~~office and data center facility, provided that~~
146.36 ~~the total capital investment in the facility~~

147.1 ~~is at least \$60,000,000. This grant is not~~
147.2 ~~subject to grant limitations under Minnesota~~
147.3 ~~Statutes, section 116J.8731, subdivision 5~~
147.4 \$1,000,000 must be used for the biomass
147.5 heating grants and loans pilot project. This
147.6 is a onetime appropriation and is available in
147.7 either year of the biennium.

147.8 Sec. 26. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

147.9	Subd. 3. Workforce Development	50,024,000	49,833,000
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147.10	Appropriations by Fund		
147.11	General	33,529,000	33,338,000
147.12	Workforce		
147.13	Development	16,495,000	16,495,000

147.14 (a) \$6,785,000 the first year and \$6,785,000
147.15 the second year are from the general fund
147.16 for the Minnesota job skills partnership
147.17 program under Minnesota Statutes, sections
147.18 116L.01 to 116L.17. If the appropriation for
147.19 either year is insufficient, the appropriation
147.20 for the other year is available for it. This
147.21 appropriation does not cancel.

147.22 (b) \$455,000 the first year and \$455,000 the
147.23 second year are from the general fund for
147.24 a grant under Minnesota Statutes, section
147.25 116J.8747, to Twin Cities RISE! to provide
147.26 training to hard-to-train individuals.

147.27 (c) \$1,375,000 each year is from
147.28 the workforce development fund for
147.29 Opportunities Industrialization Center
147.30 programs.

147.31 (d) \$5,614,000 each year is from the general
147.32 fund and \$6,920,000 each year is from the
147.33 workforce development fund for extended
147.34 employment services for persons with

148.1 severe disabilities or related conditions under
148.2 Minnesota Statutes, section 268A.15. Of this,
148.3 \$125,000 each year and in the base for fiscal
148.4 years 2010 and 2011 is to supplement funds
148.5 paid for wage incentives for the community
148.6 support fund established in Minnesota Rules,
148.7 part 3300.2045. The commissioner shall
148.8 not reduce total expenditures from these
148.9 appropriations.

148.10 (e) \$1,650,000 the first year and \$1,650,000
148.11 the second year are from the general fund for
148.12 grants for programs that provide employment
148.13 support services to persons with mental
148.14 illness under Minnesota Statutes, sections
148.15 268A.13 and 268A.14. Up to \$77,000 each
148.16 year may be used for administrative and
148.17 salary expenses.

148.18 (f) \$2,440,000 the first year and \$2,440,000
148.19 the second year are from the general
148.20 fund for grants under Minnesota Statutes,
148.21 section 268A.11, for the eight centers
148.22 for independent living. The base for this
148.23 program is \$2,440,000 each year in fiscal
148.24 years 2010 and 2011. Money not expended
148.25 the first year is available the second year.

148.26 The commissioner must:

148.27 (1) transfer \$115,000 of federal independent
148.28 living Part B rehabilitation services funds
148.29 to the Minnesota Centers for Independent
148.30 Living each year contingent upon the
148.31 availability of federal funds under Title VII,
148.32 Part B, of the Federal Rehabilitation Act of
148.33 1973 as amended under United States Code,
148.34 title 29, section 711(c), and approved by the
148.35 Statewide Independent Living Council;

149.1 (2) replace federal Part B funds in the
149.2 State Independent Living Council budget
149.3 transferred under clause (1) with \$115,000
149.4 of Social Security Administration program
149.5 income funds each year; and

149.6 (3) provide an additional \$185,000 each year
149.7 from the Social Security Administration
149.8 program income to the Minnesota Centers for
149.9 Independent Living to be allocated equally
149.10 among the eight centers.

149.11 Additional funding for centers for
149.12 independent living under clauses (1) and (3)
149.13 must be used for core independent living
149.14 services by the Centers for Independent
149.15 Living. The Statewide Independent Living
149.16 Council framework for statewide distribution
149.17 of state and federal funding to the Minnesota
149.18 Centers for Independent Living does not
149.19 apply to the funds under clauses (1) and
149.20 (3). The commissioner must report on the
149.21 transfers in clauses (1), (2), and (3), and any
149.22 other effort to pursue additional funding for
149.23 the Centers for Independent Living to the
149.24 standing committees of the senate and house
149.25 of representatives having jurisdiction over
149.26 Centers for Independent Living by March 15
149.27 each year.

149.28 (g) \$5,940,000 the first year and \$5,940,000
149.29 the second year are from the general fund for
149.30 state services for the blind activities.

149.31 (h) \$150,000 the first year and \$150,000
149.32 the second year are from the general fund
149.33 and \$175,000 the first year and \$175,000
149.34 the second year are from the workforce
149.35 development fund for grants under Minnesota

150.1 Statutes, section 268A.03, to Rise, Inc.
150.2 for the Minnesota Employment Center for
150.3 People Who are Deaf or Hard-of-Hearing.
150.4 Money not expended the first year is
150.5 available the second year.

150.6 (i) \$9,021,000 the first year and \$9,021,000
150.7 the second year are from the general fund for
150.8 the state's vocational rehabilitation program
150.9 for people with significant disabilities to
150.10 assist with employment, under Minnesota
150.11 Statutes, chapter 268A.

150.12 (j) \$350,000 the first year and \$350,000
150.13 the second year are from the workforce
150.14 development fund for grants to provide
150.15 interpreters for a regional transition program
150.16 that specializes in providing culturally
150.17 appropriate transition services leading to
150.18 employment for deaf, hard-of-hearing, and
150.19 deaf-blind students. This amount must be
150.20 added to the department's base.

150.21 (k) \$150,000 the first year and \$150,000 the
150.22 second year are for a grant to Advocating
150.23 Change Together for training, technical
150.24 assistance, and resources materials to persons
150.25 with developmental and mental illness
150.26 disabilities.

150.27 (l) \$250,000 the first year and \$250,000
150.28 the second year are from the workforce
150.29 development fund and \$150,000 the first
150.30 year and \$100,000 the second year are from
150.31 the general fund for a grant to Lifetrack
150.32 Resources for its immigrant and refugee
150.33 collaborative programs, including those
150.34 related to job-seeking skills and workplace
150.35 orientation, intensive job development,

151.1 functional work English, and on-site job
151.2 coaching. \$50,000 of the first year general
151.3 fund appropriation is for a onetime pilot
151.4 Lifetrack project in Rochester.

151.5 (m) \$75,000 the first year and \$75,000 the
151.6 second year are from the general fund and
151.7 \$1,000,000 the first year and \$1,000,000
151.8 the second year are from the workforce
151.9 development fund for the youthbuild
151.10 program under Minnesota Statutes, sections
151.11 116L.361 to 116L.366. This appropriation
151.12 may be used for:

151.13 (1) restoring the three youthbuild programs
151.14 that were eliminated due to budget reductions
151.15 and adding seven more youthbuild programs
151.16 statewide;

151.17 (2) restoring funding levels for all youthbuild
151.18 programs plus an inflationary increase for
151.19 each program;

151.20 (3) increasing the number of at-risk youth
151.21 served by the youthbuild programs from 260
151.22 youth per year to 500 youth per year; and

151.23 (4) restoring the youthbuild focus on careers
151.24 in technology and adding a youthbuild focus
151.25 on careers in the medical field.

151.26 (n) \$1,325,000 each year is from the
151.27 workforce development fund for grants
151.28 to fund summer youth employment in
151.29 Minneapolis. The grants shall be used to
151.30 fund up to 500 jobs for youth each summer.
151.31 Of this appropriation, \$325,000 each year is
151.32 for a grant to the learn-to-earn summer youth
151.33 employment program. The commissioner
151.34 shall establish criteria for awarding the
151.35 grants. This appropriation is available in

152.1 either year of the biennium and is available
152.2 until spent.

152.3 (o) \$600,000 the first year and \$600,000
152.4 the second year are from the workforce
152.5 development fund for a grant to the city of
152.6 St. Paul for grants to fund summer youth
152.7 employment in St. Paul. The grants shall be
152.8 used to fund up to 500 jobs for youth each
152.9 summer. The commissioner shall establish
152.10 criteria for awarding the grants within the
152.11 city of St. Paul. This appropriation is
152.12 available in either year of the biennium and
152.13 is available until spent.

152.14 (p) \$250,000 the first year and \$250,000 the
152.15 second year are from the general fund for
152.16 grants to Northern Connections in Perham
152.17 to implement and operate a pilot workforce
152.18 program that provides one-stop supportive
152.19 services to individuals as they transition into
152.20 the workforce.

152.21 (q) \$100,000 each year is for a grant to
152.22 Ramsey County Workforce Investment Board
152.23 for the development of the building lives
152.24 program. This is a onetime appropriation.

152.25 *** (The preceding text beginning "(q)**
152.26 **\$100,000 each year is for" was indicated**
152.27 **as vetoed by the governor.)**

152.28 (r) \$150,000 each year is for a grant to the
152.29 Hennepin-Carver Workforce Investment
152.30 Board (WIB) to coordinate with the Partners
152.31 for Progress Regional Skills Consortium
152.32 to provide employment and training as
152.33 demonstrated by the Twin Cities regional
152.34 health care training partnership project.

152.35 *** (The preceding text beginning "(r)**

153.1 **\$150,000 each year is for" was indicated**
153.2 **as vetoed by the governor.)**

153.3 (s) \$160,000 the first year is for a onetime
153.4 grant to Workforce Development, Inc., for
153.5 a pilot project to provide demand-driven
153.6 employment and training services to
153.7 welfare recipients and other economically
153.8 disadvantaged populations in Mower,
153.9 Freeborn, Dodge, and Steele Counties.

153.10 (t) \$200,000 the first year and \$200,000 the
153.11 second year are from the general fund for
153.12 a grant to HIRED to operate its industry
153.13 sector training initiatives, which provide
153.14 employee training developed in collaboration
153.15 with employers in specific, high-demand
153.16 industries. * **(The preceding text beginning**
153.17 **"(t) \$200,000 the first year" was indicated**
153.18 **as vetoed by the governor.)**

153.19 (u) \$100,000 the first year is for a onetime
153.20 grant to a nonprofit organization. The
153.21 nonprofit organization must work on behalf
153.22 of all licensed vendors to coordinate their
153.23 efforts to respond to solicitations or other
153.24 requests from private and governmental units
153.25 as defined in Minnesota Statutes, section
153.26 471.59, subdivision 1, in order to increase
153.27 employment opportunities for persons with
153.28 disabilities. This appropriation is available
153.29 until June 30, 2009.

153.30 (v) \$3,500,000 each year from the workforce
153.31 development fund is for the Minnesota youth
153.32 program under Minnesota Statutes, sections
153.33 116L.56 and 116L.561.

153.34 (w) \$1,000,000 each year from the workforce
153.35 development fund is for a grant to the

154.1 Minnesota Alliance of Boys and Girls
154.2 Clubs to administer a statewide project
154.3 of youth job skills development. This
154.4 project, which may have career guidance
154.5 components, including health and life skills,
154.6 is to encourage, train, and assist youth in
154.7 job-seeking skills, workplace orientation,
154.8 and job site knowledge through coaching.
154.9 This grant requires a 25 percent match from
154.10 nonstate resources.

154.11 (x) \$10,000 the first year is for a study on
154.12 ways to promote employment opportunities
154.13 for minorities, with a particular focus on
154.14 opportunities for African Americans, in
154.15 the state of Minnesota. The study should
154.16 focus on how to significantly expand the job
154.17 training available to minorities and promote
154.18 substantial increases in the wages paid to
154.19 minorities, at least to a rate well above living
154.20 wage, and within several years, to equality.
154.21 The commissioner must report on the study
154.22 to the governor and the chair of the finance
154.23 committee in each house of the legislature
154.24 that has jurisdiction over employment by
154.25 January 15, 2008, with recommendations for
154.26 implementing the findings.

154.27 (y) The commissioner must provide funding
154.28 for the Minnesota Conservation Corps to
154.29 provide learning stipends for deaf students
154.30 and wages for interpreters participating in
154.31 the MCC summer youth program.

154.32 Sec. 27. Laws 2007, chapter 135, article 1, section 6, subdivision 4, is amended to read:
154.33 Subd. 4. **Labor Standards/Apprenticeship** 1,833,000 1,803,000

155.1	Appropriations by Fund		
155.2	General	1,069,000	1,024,000
155.3	Workforce		
155.4	Development	764,000	779,000

155.5 The appropriation from the workforce
155.6 development fund is for the apprenticeship
155.7 program under Minnesota Statutes, chapter
155.8 178, and includes \$100,000 each year for
155.9 labor education and advancement program
155.10 grants.

155.11 \$360,000 the first year and \$300,000 the
155.12 second year from the general fund are for
155.13 prevailing wage enforcement of which
155.14 \$60,000 in the first year is for outreach and
155.15 survey participation improvements, and is
155.16 available until expended.

155.17 Sec. 28. Laws 2007, First Special Session chapter 2, article 1, section 8, subdivision 2,
155.18 is amended to read:

155.19	Subd. 2. Minnesota Investment Fund	35,000,000
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155.20 For transfer to the Minnesota investment
155.21 fund for grants to local units of government
155.22 for locally administered grants or loan
155.23 programs for businesses and nonprofit
155.24 organizations directly and adversely affected
155.25 by the flood, including those that provide
155.26 residential, health care, child care, social, or
155.27 other services on behalf of the Department
155.28 of Human Services to residents of the area
155.29 included in DR-1717. Assistance under this
155.30 subdivision is not limited to businesses.

155.31 Payments may be made for property damage
155.32 and cleanup, and to reimburse parties under
155.33 contract, provider agreement, or other
155.34 arrangement with the commissioner of

156.1 human services as of August 18, 2007, for
156.2 residential, health care, child care, social,
156.3 or other services provided on behalf of
156.4 the Department of Human Services to a
156.5 resident of the area included in DR-1717,
156.6 notwithstanding that:

156.7 (1) the resident has been compelled by the
156.8 floods of August 2007 to relocate outside the
156.9 party's service area; or

156.10 (2) the party is unable to provide services
156.11 to the resident due to flood damage to the
156.12 party's place of business.

156.13 Criteria and requirements must be locally
156.14 established with the approval of the
156.15 commissioner. For the purposes of this
156.16 appropriation, Minnesota Statutes, sections
156.17 116J.8731, subdivisions 3, 4, 5, and 7;
156.18 116J.993; 116J.994; and 116J.995, are
156.19 waived. Businesses that receive grants or
156.20 loans from this appropriation must set goals
156.21 for jobs retained and wages paid within the
156.22 area included in DR-1717.

156.23 Before any grants under this subdivision are
156.24 awarded to a local unit of government, the
156.25 commissioner of employment and economic
156.26 development shall report to the chairs of the
156.27 senate finance and house of representatives
156.28 ways and means committees the criteria and
156.29 requirements to be used by local units of
156.30 government in the grant or loan programs
156.31 they will administer. This appropriation is
156.32 from the general fund.

156.33 Any money transferred to the commissioner
156.34 of natural resources to provide
156.35 high-resolution digital elevation maps

157.1 using Light Detection and Ranging (LiDAR)
157.2 technology to be used for flood management
157.3 is available until June 30, 2009.

157.4 Sec. 29. **BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.**

157.5 Within the limits of appropriations, the commissioner of the Department of
157.6 Employment and Economic Development shall make grants and loans for costs related
157.7 to the installation of an approved biomass heating project in a publicly owned facility,
157.8 including K-12 public schools, higher education buildings, and buildings owned by a
157.9 local unit of government. The commissioner must approve biomass heating projects that
157.10 produce energy for heating air or water using organic matter available on a renewable
157.11 basis, including but not limited to agricultural crops, grasses and trees, or wood production
157.12 or other waste. Applications for a grant or loan under this section must be made to the
157.13 commissioner on the forms and according to the timeline prescribed by the commissioner.
157.14 At a minimum, the commissioner must require sufficient information on the applications
157.15 to determine that the physical condition of the publicly owned facility is sufficient to
157.16 support the efficient operation of the biomass heating project and that the projected
157.17 cumulative energy cost savings are adequate relative to the costs of the investment.
157.18 The grant and loan may each provide up to 50 percent of the total installed costs of the
157.19 biomass heating projects.

157.20 Sec. 30. **HARDSHIP PAYMENTS.**

157.21 Subdivision 1. **Payments; availability.** Hardship payments are available to
157.22 an applicant if the applicant suffered economic hardship due to delays in receiving
157.23 unemployment benefits resulting from the new unemployment insurance application
157.24 and filing system implemented by the Department of Employment and Economic
157.25 Development on October 15, 2007.

157.26 Subd. 2. **Economic hardship.** "Economic hardship" means financial losses to
157.27 an applicant resulting from: checks returned for insufficient funds; account overdraft
157.28 charges; installment credit penalties, interest, and other fees resulting from missed or
157.29 late payments; mortgage loan late fees, interest charges, or other penalties; charges for
157.30 force-placed automobile or homeowner's insurance; penalties for late payment of income
157.31 or property taxes; and any penalties or adverse consequences, including the suspension of
157.32 an applicant's driver's license due to nonpayment of child support.

Subd. 3. **Payment from administration account.** Hardship payments are payable from the unemployment insurance administration account under Minnesota Statutes, section 268.196.

Subd. 4. **Eligibility conditions.** An applicant is eligible to receive hardship payments under this section if the applicant's unemployment benefit payments due and payable after October 15, 2007, were delayed at least four weeks.

Subd. 5. **Amount of hardship payments.** The amount of hardship payments available to an applicant is equal to the amount of economic hardship experienced by an applicant due to the delay in receiving unemployment benefits. An applicant must provide documentation of the amount of financial hardship claimed using financial institution records, consumer or business credit records, child support records, or other commonly recognized methods of documenting financial transactions.

Subd. 6. **Notice.** The commissioner must notify applicants of the availability of hardship payments by posting a notice on the department's official Web site, by notifying applicants by individual mailing where department records show the applicant may be eligible under subdivision 4, and by any other appropriate announcement.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 31. **LUMBER COMPANY EXTRA BENEFITS.**

Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are available to an applicant who was laid off due to lack of work from the Ainsworth Lumber Company plant in Cook, Minnesota.

Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits are payable from the unemployment insurance trust fund. Extra unemployment benefits paid will not be used in computing the experience rating of Ainsworth Lumber Company under Minnesota Statutes, sections 268.047 and 268.051, subdivision 3.

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra unemployment benefits under this section for any week through December 27, 2008, if:

(1) the applicant established a benefit account under Minnesota Statutes, section 268.07, with a majority of the wage credits from Ainsworth Lumber Company, and exhausted entitlement to those regular unemployment benefits after January 1, 2008;

(2) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under Minnesota Statutes, section 268.069;

(3) the applicant is not entitled to any other unemployment benefits and is not entitled to receive unemployment benefits under any other state or federal law for that week, including any other extended unemployment benefits; and

(4) if an applicant qualifies for any type of unemployment benefits available under Minnesota law, or under any federal law, or the law of another state, the applicant must apply for and exhaust entitlement to those unemployment benefits.

Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment benefits amount available to an applicant is the same as the applicant's weekly regular unemployment benefit amount on the benefit account established in subdivision 3, clause (1).

Subd. 5. **Maximum amount of extra unemployment benefits.** The maximum amount of extra unemployment benefits available is equal to 13 times the applicant's weekly benefit amount.

Subd. 6. **Program expiration.** This extra unemployment benefit program expires on December 27, 2008. No extra unemployment benefits may be paid for any week after the expiration of this program.

Subd. 7. **Notice.** The commissioner must notify applicants of the availability of extra unemployment benefits by posting a notice on the department's official Web site, by notifying applicants by individual mailing where department records show the applicant may qualify for these extra unemployment benefits, and by any other appropriate announcement.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008.

Sec. 32. UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME PERIOD WAIVER.

Notwithstanding any other law to the contrary, the commissioner must accept initial and continued requests for unemployment benefits and pay unemployment benefits to an applicant who currently resides in Hubbard County and applied for unemployment benefits on September 15, 2006, and had an account dated September 10, 2006:

(1) was employed as a technician or inspector for Northwest Airlines, Inc., prior to August 20, 2005;

(2) stopped working on or about August 20, 2005, because of a labor dispute between the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

(3) did not file an initial or continued requests for unemployment benefits within the time periods required under Minnesota Statutes, chapter 268; and

(4) meets all the other requirements for the payment of unemployment benefits under Minnesota Statutes, section 268.069, subdivision 2.

160.1 Any unemployment benefits paid under the account established September 10, 2006,
160.2 shall be deducted from the total benefits authorized under this section.

160.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
160.4 and applies retroactively from August 21, 2005.

160.5 Sec. 33. **OFFICE OF SCIENCE AND TECHNOLOGY.**

160.6 Subdivision 1. **Establishment.** An Office of Science and Technology is established
160.7 in the Department of Employment and Economic Development to do the following:

160.8 (1) coordinate public and private efforts to procure federal funding for collaborative
160.9 research and development projects of primary benefit to small and medium-sized
160.10 businesses;

160.11 (2) promote contractual relationships between Minnesota businesses that are
160.12 recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

160.13 (3) work with Minnesota nonprofit institutions including the University of
160.14 Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting
160.15 collaborative efforts to respond to federal funding opportunities;

160.16 (4) develop a framework for Minnesota companies to establish sole-source
160.17 relationships with federal agencies; and

160.18 (5) coordinate workshops, assistance with business proposals, licensing, intellectual
160.19 property protection, commercialization, and government auditing with the University of
160.20 Minnesota and Minnesota State Colleges and Universities.

160.21 For the purposes of this section, "office" means the Office of Science and Technology
160.22 established in this subdivision.

160.23 Subd. 2. **Technology partnering with a prime contractor.** The office must
160.24 develop a program to assist small businesses competing for a small business innovation
160.25 research award by matching the applicant with a larger company. Prime contractors are
160.26 matched to small businesses through a prescreening process that may result in a letter of
160.27 support for the applicant designed to increase the chance of receiving a Small Business
160.28 Innovation Research (SBIR) award.

160.29 Subd. 3. **Collaborate to commercialize.** The office must develop a program to use
160.30 the federal high-risk research and development investment program to encourage the
160.31 development of new technologies, products, and business development and to reduce
160.32 development risks by encouraging alliances between medium-sized companies and
160.33 innovative small businesses.

160.34 Subd. 4. **Technology matchmaking.** The office must assist businesses in
160.35 identifying qualified suppliers and vendors through a program to serve as a conduit for

161.1 Minnesota-based companies to network with firms able to support their success. Firms
161.2 outside Minnesota can participate in the technology matchmaking network if one of the
161.3 participating companies is located in Minnesota.

161.4 Subd. 5. **Commercialization assistance.** The office must provide
161.5 commercialization assistance to Minnesota firms that have received a Phase I Small
161.6 Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer
161.7 (STTR) award and are submitting a Phase II proposal. Local service providers must assist
161.8 the applicant with developing and reviewing the required commercialization plan prior to
161.9 Phase II submission. The office may provide SBIR Phase I proposal technical review.

161.10 Subd. 6. **Report.** The commissioner of employment and economic development
161.11 must report to the committees in the house of representatives and senate having
161.12 jurisdiction over bioscience and technology issues on the activities of the Office of Science
161.13 and Technology by June 30, 2009.

161.14 Sec. 34. **2008 DISTRIBUTIONS ONLY.**

161.15 For distribution in 2008 only, a special fund is established to receive 9.65 cents
161.16 per ton that otherwise would be allocated under Minnesota Statutes, section 298.28,
161.17 subdivision 6. If sufficient funds are not available under Minnesota Statutes, section
161.18 298.28, subdivision 6, to make the payments required under this section and under
161.19 Minnesota Statutes, section 298.28, subdivision 6, the remaining amount needed to total
161.20 9.65 cents per ton may be taken from funds available under Minnesota Statutes, section
161.21 298.28, subdivision 9. The following amounts are allocated to St. Louis County acting as
161.22 the fiscal agent for the recipients for the following specified purposes:

161.23 (1) two cents per ton must be paid to the Hibbing Economic Development Authority
161.24 to retire bonds and for economic development purposes;

161.25 (2) 0.25 cent per ton must be paid to the St. Louis County School Board to study
161.26 the potential for and impact of consolidation and streamlining the operations of the St.
161.27 Louis County School District No. 2142;

161.28 (3) 0.25 cent per ton must be paid to the city of Grand Rapids, for industrial park
161.29 work;

161.30 (4) 0.65 cent per ton must be paid to the city of Aitkin, for sewer and water for
161.31 housing projects;

161.32 (5) 0.5 cent per ton must be paid to the city of Crosby, for well and water tower
161.33 infrastructure;

(6) 0.25 cent per ton must be paid to the Mountain Iron-Buhl School Board to study the potential for and impact of consolidation or streamlining the operations of the Mountain Iron-Buhl School District No. 712;

(7) 0.25 cent per ton must be paid to the Virginia School Board to study the potential for an impact of consolidation or streamlining the operations of the Virginia Public School District No. 706;

(8) 1.5 cents per ton must be paid to the city of Silver Bay to pay for health and safety and maintenance improvements at a former elementary school building that is currently owned by the city, to be used for economic development purposes;

(9) 1.5 cents per ton must be paid to St. Louis County to extend water and sewer lines from the city of Chisholm to the St. Louis County fairgrounds;

(10) 1.5 cents per ton must be paid to the White Community Hospital for debt restructuring;

(11) 0.5 cent per ton must be paid to the city of Keewatin for street, sewer, and water improvements; and

(12) 0.5 cent per ton must be paid to the city of Calumet for street, sewer, and water improvements.

Sec. 35. **REPEALER.**

Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section 2, are repealed.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 11
TRANSPORTATION

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2008</u>		<u>2009</u>		<u>Total</u>
General	\$	-0-	\$	(255,000)	\$	(255,000)
Trunk Highway		6,850,000		-0-		6,850,000
State Airports		-0-		(15,000,000)		(15,000,000)
Total	\$	6,850,000	\$	(15,255,000)	\$	(8,405,000)

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations under Laws 2007, chapter 143, article 1; Laws 2007, First Special Session chapter 2, article 2, section 2; and Laws 2008, chapter 152, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS Available for the Year Ending June 30			
		2008	2009
Sec. 3.	TRANSPORTATION		
Subdivision 1.	Total Appropriation	\$ 6,850,000	\$ (34,000)
Appropriations by Fund			
		2008	2009
General		-0-	(34,000)
Trunk Highway		6,850,000	-0-
The amounts that may be spent or must be reduced for each purpose are specified in the following subdivisions.			
Subd. 2.	Transit	-0-	(32,000)
This reduction is from the appropriation from the general fund for transit in Laws 2007, chapter 143, article 1, section 3, subdivision 2, paragraph (b).			
Subd. 3.	Freight	-0-	(2,000)
This reduction is from the appropriation from the general fund for freight in Laws 2007, chapter 143, article 1, section 3, subdivision 2, paragraph (c).			
Subd. 4.	State Roads	6,850,000	-0-

164.1 This appropriation is spending authority for
164.2 additional federal bridge funding authorized
164.3 and appropriated by Congress in 2008, and
164.4 is for the actual construction, reconstruction,
164.5 and improvement of trunk highways,
164.6 including design-build contracts and
164.7 consultant usage to support these activities.
164.8 This includes the cost of actual payments to
164.9 landowners for lands acquired for highway
164.10 rights-of-way, payments to lessees, interest
164.11 subsidies, and relocation expenses. This is a
164.12 onetime appropriation.

164.13 Subd. 5. **Transfers In**

164.14 By June 30, 2008, the commissioner of
164.15 finance shall transfer \$15,000,000 from the
164.16 state airports fund established in Minnesota
164.17 Statutes, section 360.017, to the general fund.

164.18 Notwithstanding Minnesota Statutes,
164.19 section 222.49, before June 30, 2008,
164.20 the commissioner of finance shall transfer
164.21 \$3,000,000 from the rail service improvement
164.22 account in the special revenue fund to the
164.23 general fund.

164.24 Notwithstanding Minnesota Statutes, section
164.25 222.49, after July 1, 2008, and before June
164.26 30, 2009, the commissioner of finance shall
164.27 transfer \$3,000,000 from the rail service
164.28 improvement account in the special revenue
164.29 fund to the general fund.

164.30 Sec. 4. **METROPOLITAN COUNCIL** \$ -0- \$ (136,000)

164.31 This reduction is from the appropriation from
164.32 the general fund for bus system operations in
164.33 Laws 2007, chapter 143, article 1, section 4,
164.34 subdivision 2, and Hiawatha light rail transit

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165.1 in Laws 2007, chapter 143, article 1, section
165.2 4, subdivision 3.

165.3 **Sec. 5. PUBLIC SAFETY**

165.4	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(60,000)</u>
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165.5 The amounts that may be spent or must be
165.6 reduced for each purpose are specified in the
165.7 following subdivisions.

165.8	<u>Subd. 2. Public Safety Support</u>	<u>-0-</u>	<u>(45,000)</u>
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165.9 Of this reduction, \$28,000 is from the
165.10 appropriation from the general fund
165.11 for a security coordinator to coordinate
165.12 planning efforts for the Republican National
165.13 Convention in Laws 2007, chapter 143,
165.14 article 1, section 5, subdivision 2, paragraph
165.15 (b).

165.16 Of this reduction, \$17,000 is from the
165.17 appropriation from the general fund in
165.18 Laws 2007, chapter 143, article 1, section 5,
165.19 subdivision 2, paragraph (b).

165.20 The base appropriation for fiscal years 2010
165.21 and 2011 is \$3,296,000 per year.

165.22	Subd. 3. Capitol Security	<u>-0-</u>	<u>(15,000)</u>
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165.23 This reduction is from the appropriation from
165.24 the general fund in Laws 2007, chapter 143,
165.25 article 1, section 5, subdivision 3, paragraph
165.26 (c).

165.27 Sec. 6. Minnesota Statutes 2006, section 168.013, is amended by adding a subdivision
165.28 to read:

165.29 Subd. 21. **Technology surcharge.** For every vehicle registration renewal required
165.30 under this chapter, the commissioner shall collect a surcharge of \$1.75. Surcharges
165.31 collected under this subdivision must be credited to the driver and vehicle services
165.32 technology account in the special revenue fund under section 299A.705.

166.1 **EFFECTIVE DATE.** This section is effective July 1, 2008, and expires June 30,
166.2 2012.

166.3 Sec. 7. Minnesota Statutes 2006, section 168A.29, as amended by Laws 2007, chapter
166.4 143, article 3, section 2, is amended to read:

166.5 **168A.29 FEES.**

166.6 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

166.7 (1) for filing an application for and the issuance of an original certificate of title, the
166.8 sum of \$6.25 of which \$3.25 must be paid into the vehicle services operating account of
166.9 the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75
166.10 must be added to the fee and credited to the driver and vehicle services technology account;

166.11 (2) for each security interest when first noted upon a certificate of title, including the
166.12 concurrent notation of any assignment thereof and its subsequent release or satisfaction,
166.13 the sum of \$2, except that no fee is due for a security interest filed by a public authority
166.14 under section 168A.05, subdivision 8;

166.15 (3) for the transfer of the interest of an owner and the issuance of a new certificate of
166.16 title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating
166.17 account of the special revenue fund under section 299A.705; until June 30, 2012, a
166.18 surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services
166.19 technology account;

166.20 (4) for each assignment of a security interest when first noted on a certificate of title,
166.21 unless noted concurrently with the security interest, the sum of \$1;

166.22 (5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must
166.23 be paid into the vehicle services operating account of the special revenue fund under
166.24 section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and
166.25 credited to the driver and vehicle services technology account.

166.26 (b) After June 30, 1994, in addition to each of the fees required under paragraph (a),
166.27 clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected
166.28 under this paragraph must be deposited in the special revenue fund and credited to the
166.29 public safety motor vehicle account established in section 299A.70.

166.30 Subd. 2. **Fee in lieu of other fee.** If a person applies for an original or a new
166.31 certificate of title to a vehicle, concurrently with an application, as transferee, of
166.32 registration of the vehicle, the fee prescribed in subdivision 1 must be in lieu of the ~~fee~~
166.33 fees prescribed by ~~section~~ sections 168.013, subdivision 21, and 168.54, with respect to
166.34 any transfer of ownership or registration of the vehicle to the applicant.

167.1 Subd. 3. **No certificate issued until fees paid.** Subject to subdivision 2, the
167.2 department shall not issue a certificate of title to a vehicle until all fees prescribed by
167.3 ~~sections section 168.54 and 168A.10, subdivision 6,~~ with respect to any prior transfer of
167.4 ownership or registration of the vehicle have been paid.

167.5 Sec. 8. Minnesota Statutes 2007 Supplement, section 171.06, subdivision 2, is
167.6 amended to read:

167.7 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are
167.8 as follows:

167.9	Classified Driver's				
167.10	License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
167.11	Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
167.12	Instruction Permit				\$10.25
167.13	Provisional License				\$13.25
167.14	Duplicate License or				
167.15	duplicate identification				
167.16	card				\$11.75
167.17	Minnesota identification				
167.18	card or Under-21				
167.19	Minnesota identification				
167.20	card, other than duplicate,				
167.21	except as otherwise				
167.22	provided in section				
167.23	171.07, subdivisions 3				
167.24	and 3a				\$16.25

167.25 In addition to each fee required in this paragraph, the commissioner shall collect a
167.26 surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be
167.27 credited to the driver and vehicle services technology account in the special revenue fund
167.28 under section 299A.705.

167.29 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
167.30 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
167.31 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
167.32 violations, and (3) convictions for moving violations that are not crash related, shall have a
167.33 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
167.34 has the meaning given it in section 171.04, subdivision 1.

167.35 (c) In addition to the driver's license fee required under paragraph (a), the
167.36 commissioner shall collect an additional \$4 processing fee from each new applicant
167.37 or individual renewing a license with a school bus endorsement to cover the costs for
167.38 processing an applicant's initial and biennial physical examination certificate. The

168.1 department shall not charge these applicants any other fee to receive or renew the
168.2 endorsement.

168.3 Sec. 9. Minnesota Statutes 2006, section 299A.705, is amended by adding a
168.4 subdivision to read:

168.5 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and
168.6 vehicle services technology account is created in the special revenue fund, consisting of
168.7 the technology surcharge collected as specified in chapters 168, 168A, and 171, and any
168.8 other money otherwise donated, allotted, appropriated, or legislated to this account.

168.9 (b) Money in the account is annually appropriated to the commissioner of public
168.10 safety to support the research, development, deployment, and maintenance of a driver
168.11 and vehicle services information system.

168.12 **EFFECTIVE DATE.** This section is effective July 1, 2008, and expires June 30,
168.13 2012.

168.14 Sec. 10. Laws 2007, chapter 143, article 1, section 3, subdivision 2, is amended to read:

168.15 Subd. 2. **Multimodal Systems**

168.16 (a) **Aeronautics**

168.17			20,298,000
168.18	(1) Airport Development and Assistance	20,298,000	<u>5,298,000</u>

168.19 This appropriation is from the state airports
168.20 fund and must be spent according to
168.21 Minnesota Statutes, section 360.305,
168.22 subdivision 4.

168.23 ~~\$6,000,000 the first year and \$6,000,000 the~~
168.24 ~~second year are~~ is a onetime appropriations
168.25 appropriation and ~~do~~ does not add to
168.26 the base appropriations. The base for
168.27 this appropriation for fiscal year 2010 is
168.28 \$14,298,000.

168.29 Of this appropriation \$200,000 the first
168.30 year is to the Legislative Coordinating
168.31 Commission for the administrative expenses
168.32 of the Airport Funding Advisory Task Force

169.1 and for other costs relating to the preparation
169.2 of the task force report, including the costs of
169.3 hiring a consultant, if needed. Any remaining
169.4 amount of this appropriation shall revert to
169.5 the state airports fund.

169.6 Notwithstanding Minnesota Statutes, section
169.7 16A.28, subdivision 6, this appropriation is
169.8 available for five years after appropriation.

169.9 If the appropriation for either year is
169.10 insufficient, the appropriation for the other
169.11 year is available for it.

169.12 (2) **Aviation Support and Services**

169.13	Appropriations by Fund		
169.14	Airports	5,184,000	5,286,000
169.15	Trunk Highway	852,000	866,000

169.16 \$65,000 the first year and \$65,000 the second
169.17 year from the state airports fund are for the
169.18 Civil Air Patrol.

169.19 (b) **Transit**

169.20	Appropriations by Fund		
169.21	General	18,813,000	18,816,000
169.22	Trunk Highway	740,000	761,000

169.23 (c) **Freight**

169.24	Appropriations by Fund		
169.25	General	357,000	367,000
169.26	Trunk Highway	5,028,000	5,158,000

169.27 Sec. 11. Laws 2008, chapter 152, article 1, section 6, subdivision 2, is amended to read:

169.28 Subd. 2. **Appropriation; study.** ~~\$325,000~~ \$300,000 is appropriated from the
169.29 general fund to the Board of Regents of the University of Minnesota for the Center for
169.30 Transportation Studies to complete a study to assess the public policy implications of
169.31 financing new and improved transportation infrastructure in Minnesota through capturing
169.32 the value of the benefits created, to prepare a report on its findings, and to conduct a
169.33 series of workshops. This is a onetime appropriation and is available in fiscal years 2008
169.34 and 2009.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 12
PUBLIC SAFETY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize the direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>268,000</u>	\$ <u>(10,490,000)</u>	\$ <u>(10,222,000)</u>
<u>Special Revenue</u>	<u>(25,000)</u>	<u>50,000</u>	<u>25,000</u>
<u>Total</u>	\$ <u>243,000</u>	\$ <u>(10,440,000)</u>	\$ <u>(10,197,000)</u>

Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 54, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Sec. 3. **SUPREME COURT** \$ -0- \$ (951,000)

The appropriation additions or reductions for each purpose are as follows:

(a) Supreme Court Operations -0- (831,000)

(b) Civil Legal Services -0- (120,000)

Sec. 4. **COURT OF APPEALS** \$ -0- \$ (250,000)

Sec. 5. **DISTRICT COURTS** \$ -0- \$ (2,800,000)

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171.1 This reduction may be applied to any
171.2 appropriation contained in Laws 2007,
171.3 chapter 54, article 1, section 5.

171.4	Sec. 6. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(1,491,000)</u>
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171.5 **Sec. 7. PUBLIC SAFETY**

171.6	<u>Subdivision 1. Total Appropriation</u>	\$	<u>360,000</u>	\$	<u>(2,057,000)</u>
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171.7 The appropriation additions or reductions
171.8 for each purpose are shown in the following
171.9 subdivisions.

171.10 **Subd. 2. Emergency Management**

171.11	(a) <u>State Match</u>	<u>360,000</u>	<u>-0-</u>
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171.12 This appropriation is to provide a match
171.13 for FEMA money received for natural
171.14 disaster assistance payments and is added
171.15 to appropriations in Laws 2007, chapter
171.16 54, article 1, section 10, subdivision 2. It
171.17 is available until June 30, 2010, and is a
171.18 onetime appropriation.

171.19 **(b) Chemical Assessment/HazMat Teams** -0- (40,000)

171.20 The appropriation from the general fund in
171.21 the second year to reimburse local chemical
171.22 assessment and hazardous materials teams
171.23 when they respond to incidents is reduced
171.24 by \$40,000. Reimbursements up to \$40,000
171.25 per year are to be made from revenues in
171.26 the special revenue fund from billings to
171.27 responsible companies.

171.28 Subd. 3. **Criminal Apprehension**

171.29 (a) **CriMNet** -0- (1,265,000)

171.30	<u>(b) Agencywide Cut, Except for Office of</u>		
171.31	Justice Programs	-0-	(250,000)

172.1 This reduction may be applied to any
172.2 program funded under Laws 2007, chapter
172.3 54, article 1, section 10, with the exception of
172.4 the Office of Justice programs. Reductions to
172.5 the Office of Justice programs are specified
172.6 in subdivision 4. No other reductions may be
172.7 made from that office.

172.8 Subd. 4. **Office of Justice Programs**

172.9	<u>(a) Financial Crimes Task Force</u>	<u>-0-</u>	<u>(450,000)</u>
172.10	<u>(b) Squad Car Cameras</u>	<u>-0-</u>	<u>(52,000)</u>

172.11 The base for these grants in fiscal year 2010
172.12 is \$0.

172.13	Sec. 8. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(149,000)</u>
172.14	Sec. 9. <u>CORRECTIONS</u>	<u>\$</u>	<u>(92,000)</u>	<u>\$</u>	<u>(2,792,000)</u>

172.15 The appropriation additions or reductions for
172.16 each purpose are as follows:

172.17	<u>(a) Short-Term Offenders</u>	<u>-0-</u>	<u>(2,100,000)</u>
172.18	<u>(b) Sentencing to Service</u>	<u>-0-</u>	<u>(600,000)</u>
172.19	<u>(c) 8-Day Holds</u>	<u>(92,000)</u>	<u>(92,000)</u>

172.20 Sec. 10. Minnesota Statutes 2007 Supplement, section 297I.06, subdivision 3, is
172.21 amended to read:

172.22 Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to
172.23 be known as the fire safety account, is created in the state treasury. The account consists of
172.24 the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008 ~~and \$2,268,000,~~
172.25 \$4,268,000 in fiscal year 2009, and \$2,268,000 in each year thereafter is transferred from
172.26 the fire safety account in the special revenue fund to the general fund to offset the loss of
172.27 revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

172.28 Sec. 11. Minnesota Statutes 2006, section 357.021, subdivision 6, is amended to read:

172.29 Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided
172.30 in this paragraph, the court shall impose and the court administrator shall collect a ~~\$72~~

173.1 \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor,
173.2 or petty misdemeanor offense, other than a violation of a law or ordinance relating to
173.3 vehicle parking, for which there shall be a \$4 surcharge. In the Second Judicial District,
173.4 the court shall impose, and the court administrator shall collect, an additional \$1 surcharge
173.5 on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty
173.6 misdemeanor offense, including a violation of a law or ordinance relating to vehicle
173.7 parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The
173.8 surcharge shall be imposed whether or not the person is sentenced to imprisonment or the
173.9 sentence is stayed. The surcharge shall not be imposed when a person is convicted of a
173.10 petty misdemeanor for which no fine is imposed.

173.11 (b) If the court fails to impose a surcharge as required by this subdivision, the court
173.12 administrator shall show the imposition of the surcharge, collect the surcharge, and
173.13 correct the record.

173.14 (c) The court may not waive payment of the surcharge required under this
173.15 subdivision. Upon a showing of indigency or undue hardship upon the convicted person
173.16 or the convicted person's immediate family, the sentencing court may authorize payment
173.17 of the surcharge in installments.

173.18 (d) The court administrator or other entity collecting a surcharge shall forward it
173.19 to the commissioner of finance.

173.20 (e) If the convicted person is sentenced to imprisonment and has not paid the
173.21 surcharge before the term of imprisonment begins, the chief executive officer of the
173.22 correctional facility in which the convicted person is incarcerated shall collect the
173.23 surcharge from any earnings the inmate accrues from work performed in the facility
173.24 or while on conditional release. The chief executive officer shall forward the amount
173.25 collected to the commissioner of finance.

173.26 Sec. 12. Minnesota Statutes 2006, section 357.021, subdivision 7, is amended to read:

173.27 Subd. 7. **Disbursement of surcharges by commissioner of finance.** (a) Except
173.28 as provided in paragraphs (b), (c), and (d), the commissioner of finance shall disburse
173.29 surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

173.30 (1) one percent shall be credited to the game and fish fund to provide peace officer
173.31 training for employees of the Department of Natural Resources who are licensed under
173.32 sections 626.84 to 626.863, and who possess peace officer authority for the purpose of
173.33 enforcing game and fish laws;

173.34 (2) 39 percent shall be credited to the peace officers training account in the special
173.35 revenue fund; and

174.1 (3) 60 percent shall be credited to the general fund.

174.2 (b) The commissioner of finance shall credit \$3 of each surcharge received under

174.3 subdivision 6 and section 97A.065, subdivision 2, to the general fund.

174.4 (c) In addition to any amounts credited under paragraph (a), the commissioner of

174.5 finance shall credit ~~\$44~~ \$47 of each surcharge received under subdivision 6 and section

174.6 97A.065, subdivision 2, and the \$4 parking surcharge, to the general fund.

174.7 (d) If the Ramsey County Board of Commissioners authorizes imposition of

174.8 the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court

174.9 administrator in the Second Judicial District shall transmit the surcharge to the

174.10 commissioner of finance. The \$1 special surcharge is deposited in a Ramsey County

174.11 surcharge account in the special revenue fund and amounts in the account are appropriated

174.12 to the trial courts for the administration of the petty misdemeanor diversion program

174.13 operated by the Second Judicial District Ramsey County Violations Bureau.

174.14 Sec. 13. Laws 2007, chapter 54, article 1, section 11, is amended to read:

174.15	Sec. 11. PEACE OFFICER STANDARDS		4,296,000	4,278,000
174.16	AND TRAINING (POST) BOARD	\$	<u>4,271,000</u>	\$ <u>4,328,000</u>

174.17 **Excess Amounts Transferred.** This

174.18 appropriation is from the peace officer

174.19 training account in the special revenue fund.

174.20 Any new receipts credited to that account

174.21 in the first year in excess of ~~\$4,296,000~~

174.22 \$4,271,000 must be transferred and credited

174.23 to the general fund. Any new receipts

174.24 credited to that account in the second year

174.25 in excess of ~~\$4,278,000~~ \$4,328,000 must be

174.26 transferred and credited to the general fund.

174.27 **Peace Officer Training Reimbursements.**

174.28 \$3,159,000 the first year and \$ 3,159,000 the

174.29 second year are for reimbursements to local

174.30 governments for peace officer training costs.

174.31 **No Contact Orders.** The board shall: (1)

174.32 revise and update preservice courses and

174.33 develop in-service training courses related

174.34 to no contact orders in domestic violence

174.35 cases and domestic violence dynamics; and

(2) reimburse peace officers who have taken training courses described in clause (1). At a minimum, the training must include instruction in the laws relating to no contact orders and address how to best coordinate law enforcement resources relating to no contact orders. In addition, the training must include a component to instruct peace officers on doing risk assessments of the escalating factors of lethality in domestic violence cases. The board must consult with a statewide domestic violence organization in developing training courses. The board shall utilize a request for proposal process in awarding training contracts. The recipient of the training contract must conduct these trainings with advocates or instructors from a statewide domestic violence organization.

Beginning on January 1, 2008, the board may not approve an in-service training course relating to domestic abuse that does not comply with this section.

ARTICLE 13
STATE GOVERNMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ -0-	(1,104,000) \$	(1,104,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 148, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the

176.1 general fund or another named fund and are available for the fiscal years indicated for
176.2 each purpose. The figures "2008" and "2009" used in this article mean that the addition
176.3 to or subtraction from the appropriation listed under them is available for the fiscal year
176.4 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
176.5 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
176.6 day following final enactment.

176.7	<u>APPROPRIATIONS</u>		
176.8	<u>Available for the Year</u>		
176.9	<u>Ending June 30</u>		
176.10	<u>2008</u>	<u>2009</u>	

176.11 Sec. 3. LEGISLATURE

176.12	<u>Subdivision 1. Total Reduction</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(1,821,000)</u>
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176.13 The appropriation additions or reductions
176.14 for each purpose are shown in the following
176.15 subdivisions.

176.16	<u>Subd. 2. Senate</u>	<u>-0-</u>	<u>(710,000)</u>
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176.17 The base budget for the senate shall
176.18 be \$22,958,000 in fiscal year 2010 and
176.19 \$22,958,000 in fiscal year 2011.

176.20	<u>Subd. 3. House of Representatives</u>	<u>-0-</u>	<u>(952,000)</u>
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176.21 The base budget for the house of
176.22 representatives shall be \$30,866,000 in fiscal
176.23 year 2010 and \$30,866,000 in fiscal year
176.24 2011.

176.25	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>-0-</u>	<u>(159,000)</u>
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176.26 The base budget for the Legislative
176.27 Coordinating Commission shall be
176.28 \$15,734,000 in fiscal year 2010 and
176.29 \$15,734,000 in fiscal year 2011.

176.30	Sec. 4. <u>GOVERNOR</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(113,000)</u>
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176.31 The base budget for the office of the governor
176.32 shall be \$3,701,000 in fiscal year 2010 and
176.33 \$3,701,000 in fiscal year 2011.

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177.1	Sec. 5. <u>STATE AUDITOR</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(42,000)</u>
177.2	Sec. 6. <u>ATTORNEY GENERAL</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(749,000)</u>
177.3	Sec. 7. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(195,000)</u>
177.4	<u>The base budget for the secretary of state</u>				
177.5	<u>shall be \$6,134,000 in fiscal year 2010 and</u>				
177.6	<u>\$6,301,000 in fiscal year 2011.</u>				
177.7	Sec. 8. <u>OFFICE OF ENTERPRISE</u>				
177.8	<u>TECHNOLOGY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(313,000)</u>
177.9	<u>The base budget for the Office of Enterprise</u>				
177.10	<u>Technology shall be \$6,076,000 in fiscal year</u>				
177.11	<u>2010 and \$6,076,000 in fiscal year 2011.</u>				
177.12	Sec. 9. <u>ADMINISTRATION</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(1,274,000)</u>
177.13	<u>\$885,000 of the reduction is from the</u>				
177.14	<u>appropriation for Department of Public</u>				
177.15	<u>Safety relocation expenses.</u>				
177.16	<u>By June 30, 2009, the commissioner</u>				
177.17	<u>of finance shall transfer \$1,000,000 of</u>				
177.18	<u>the balance in the facilities repair and</u>				
177.19	<u>replacement account in the special revenue</u>				
177.20	<u>fund to the general fund. This amount</u>				
177.21	<u>is in addition to amounts transferred</u>				
177.22	<u>under Minnesota Statutes, section 16B.24,</u>				
177.23	<u>subdivision 5, paragraph (d).</u>				
177.24	<u>\$40,000 is to design and construct a workers</u>				
177.25	<u>memorial on the Capitol grounds in St.</u>				
177.26	<u>Paul. This appropriation is added to the</u>				
177.27	<u>appropriation in Laws 2006, chapter 258,</u>				
177.28	<u>section 12, subdivision 4.</u>				
177.29	<u>\$40,000 is for a grant to the Capitol</u>				
177.30	<u>Area Architectural and Planning Board to</u>				
177.31	<u>design and construct a memorial to Hubert</u>				

178.1 H. Humphrey in the Capitol area. This
178.2 appropriation is added to the appropriations
178.3 for the same purpose in Laws 1993, chapter
178.4 192, section 16; and Laws 1999, chapter 250,
178.5 article 1, section 13, and is available until
178.6 expended.

178.7 Sec. 10. FINANCE \$ -0- \$ (624,000)

178.8 After the Departments of Finance and
178.9 Employee Relations merge as directed in
178.10 Laws 2007, chapter 148, article 2, section 80,
178.11 the commissioner of finance may reallocate
178.12 fiscal year 2009 general fund appropriation
178.13 reductions among programs within the
178.14 merged agency. Any reallocation of funds
178.15 shall be shown in the program appropriations
178.16 base for fiscal years 2010 and 2011 according
178.17 to Minnesota Statutes, section 16A.11,
178.18 subdivision 3, paragraph (b).

178.19 Sec. 11. EMPLOYEE RELATIONS \$ -0- \$ (218,000)

178.20 The base budget for employee relations
178.21 shall be \$5,241,000 in fiscal year 2010 and
178.22 \$5,241,000 in fiscal year 2011 to reflect the
178.23 reduction and a transfer to the Department of
178.24 Health for the merger in Laws 2007, chapter
178.25 148, article 2, section 80.

178.26 Sec. 12. REVENUE \$ -0- \$ 6,120,000

178.27 \$7,000,000 is for additional activities to
178.28 identify and collect tax liabilities from
178.29 individuals and businesses that currently
178.30 do not pay all taxes owed. This initiative
178.31 is expected to result in new general fund
178.32 revenues of \$21,000,000 for fiscal year 2009.

179.1 The department must report to the chairs of
179.2 the house of representatives Ways and Means
179.3 Committee and senate Finance Committee
179.4 by March 1, 2009, and January 15, 2010, on
179.5 the following performance indicators:

179.6 (1) the number of corporations noncompliant
179.7 with the corporate tax system each year and
179.8 the percentage and dollar amounts of valid
179.9 tax liabilities collected;

179.10 (2) the number of businesses noncompliant
179.11 with the sales and use tax system and the
179.12 percentage and dollar amounts of the valid
179.13 tax liabilities collected; and

179.14 (3) the number of individual noncompliant
179.15 cases resolved and the percentage and dollar
179.16 amounts of valid tax liabilities collected.

179.17 The reports must also identify base-level
179.18 expenditures and staff positions related to
179.19 compliance and audit activities, including
179.20 baseline information as of January 1, 2006.

179.21 The information must be provided at the
179.22 budget activity level.

179.23 \$1,240,000 is a reduction from the
179.24 appropriation for the tax system management
179.25 program.

179.26 \$360,000 is for the costs of administering the
179.27 data match program under new Minnesota
179.28 Statutes, section 13B.07, including payments
179.29 to financial institutions in exchange for
179.30 performing data matches under that section.

179.31 **Sec. 13. [5.33] RETURNING COMBAT VETERANS.**

179.32 If any Minnesota business or nonprofit corporation, limited liability company,
179.33 cooperative, limited partnership, or limited liability partnership has been administratively
179.34 or statutorily dissolved, revoked, or terminated after December 31, 2006, for failure to file

an annual or periodic report with the Office of the Secretary of State during a calendar year when an individual with substantial responsibility for the operation of the dissolved, revoked, or terminated business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership was serving in active military service in the armed forces of the United States, including the reserves or National Guard, as defined in section 190.05, subdivision 5b or 5c, or was engaged in employment outside of the United States essential to the prosecution of a war or to the national defense, as designated by the United States Congress or the United States Department of Defense, the secretary of state shall waive any reinstatement fee otherwise required by law.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. **[13B.07] TAX DEBTOR DATA MATCHES.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Account" means demand deposit account, checking account, negotiable order of withdrawal account, savings account, time deposit account, money market mutual fund account, or certificate of deposit account located in Minnesota.

(b) "Account information" means the type of account, the account number, and whether the account is singly or jointly owned.

(c) "Commissioner" means the commissioner of revenue.

(d) "Debtor" means a person for whom a notice of lien has been filed by the commissioner as provided by section 270C.63, subdivision 2.

(e) "Financial institution" means any of the following that do business in this state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) safe deposit companies; or

(4) money market mutual funds.

(f) "Person" means a person as defined in section 270C.01, subdivision 6.

(g) "Service level agreement" means an agreement entered into between the commissioner and a financial institution that defines terms and conditions by which the financial institution will provide data matches to the commissioner.

Subd. 2. **Data match system established.** The commissioner shall establish a process for the comparison of account information data held by financial institutions with the Department of Revenue's database of debtors. The commissioner, in consultation with representatives from financial institutions, shall develop an implementation and administration plan for the data match system that attempts to minimize financial burdens

181.1 on financial institutions for start-up and compliance costs and takes into consideration the
181.2 financial institutions' existing data match systems. The commissioner shall inform the
181.3 financial industry of the requirements of this section and the means by which financial
181.4 institutions can comply no later than October 1, 2008, with the financial institutions
181.5 receiving the first match requests no earlier than January 1, 2009. The commissioner may
181.6 enter into service-level agreements with financial institutions.

181.7 Subd. 3. **Duty to provide data.** Within 30 days of a request by the commissioner,
181.8 a financial institution shall provide to the commissioner the name, address, personal
181.9 identifying information, and account information for each debtor or account holder, in
181.10 accordance with the method chosen in subdivision 4, who maintains an account at the
181.11 financial institution. The commissioner may request from a financial institution the data
181.12 concerning any debtor not more than once every three months.

181.13 Subd. 4. **Method to provide data.** To comply with the requirements of this section,
181.14 a financial institution must elect, in a manner authorized by the commissioner, to either:

181.15 (1) provide to the commissioner a list containing only the names and other necessary
181.16 personal identifying information, including the debtor's address, Social Security number
181.17 if an individual, and tax identification number if known, of all account holders for the
181.18 commissioner to compare against its list of debtors for the purpose of identifying which
181.19 debtors maintain an account at the financial institution; the names of the debtors who
181.20 maintain an account at the institution shall then be transmitted to the financial institution
181.21 which shall provide the commissioner with account information on those debtors; or

181.22 (2) obtain an electronic list of debtors from the commissioner that includes each
181.23 debtor's name, address, Social Security number if an individual, and tax identification
181.24 number if known, and compare that data to the data maintained at the financial institution
181.25 to identify which of the identified debtors maintains an account at the financial institution.

181.26 Subd. 5. **Means to provide data.** A financial institution must provide the required
181.27 data in encrypted form by secure electronic means or other means authorized by the
181.28 commissioner.

181.29 Subd. 6. **Access to data.** (a) With regard to account information on all
181.30 account holders provided by a financial institution under subdivision 4, clause (1), the
181.31 commissioner shall retain the reported information only until the account information is
181.32 compared against the commissioner's debtor database. Notwithstanding section 138.17,
181.33 all account information that does not pertain to a debtor listed in the commissioner's
181.34 database must be immediately destroyed and no retention or publication of that data shall
181.35 be made by the commissioner. All account information that pertains to a debtor listed in
181.36 the commissioner's database must be incorporated into the commissioner's database.

182.1 Access to that data is governed by chapters 13 and 270B. Notwithstanding section 16D.06,
182.2 data collected pursuant to this section is available for the collection of delinquent taxes
182.3 only and is not available for other debt collection activities undertaken by the state.

182.4 (b) With regard to data on debtors provided by the commissioner to a financial
182.5 institution under subdivision 4, clause (2), the financial institution shall retain the
182.6 reported information only until the financial institution's database is compared against the
182.7 commissioner's database. Data that does not pertain to an account holder at the financial
182.8 institution must be immediately destroyed and no retention, publication, or any other use
182.9 of that data shall be made by the financial institution.

182.10 Subd. 7. **Fees.** A financial institution may charge and collect a fee from the
182.11 commissioner for providing account information to the commissioner. The commissioner
182.12 may pay a financial institution up to \$150 each quarter. The commissioner shall develop
182.13 procedures for the financial institutions to charge and collect the fee. Payment of the fee
182.14 is limited by the amount of the appropriation for this purpose. If the appropriation is
182.15 insufficient, or if fund availability in the fourth quarter would allow payments for actual
182.16 costs in excess of \$150, the commissioner shall prorate the available funds among the
182.17 financial institutions that have submitted a claim for the fee. No financial institution
182.18 shall charge or collect a fee that exceeds its actual costs of complying with this section.
182.19 The commissioner, together with an advisory group consisting of representatives of
182.20 the financial institutions in the state, shall evaluate whether the fees paid to financial
182.21 institutions compensate them for their actual costs, including start-up costs, of complying
182.22 with this section, and shall evaluate whether the amount appropriated to the commissioner
182.23 for the costs of administering the data match system compensates the commissioner for
182.24 the costs incurred by the department. The advisory group shall submit a report to the
182.25 legislature by February 1, 2009, with a recommendation for retaining or modifying the fee.

182.26 Subd. 8. **Failure to respond to request for information.** The commissioner shall
182.27 send a written notice of noncompliance to a financial institution that fails to respond to
182.28 a first written request for information under this section. The notice must be sent by
182.29 certified mail and must explain the requirements of this section and advise the financial
182.30 institution of the penalty for noncompliance. A financial institution that receives a second
182.31 notice of noncompliance is subject to a civil penalty of \$1,000 for its failure to comply. A
182.32 financial institution that continues to fail to comply with this section is subject to a civil
182.33 penalty of \$5,000 for the third and each subsequent failure to comply. The penalties
182.34 imposed under this subdivision are collected in the same manner as taxes. A financial
182.35 institution that has been served with a notice of noncompliance and incurs a second or
182.36 subsequent notice of noncompliance has the right to a contested case hearing under

183.1 chapter 14. A financial institution has 20 days from the date of the service of the notice of
183.2 noncompliance to file a request for a contested case hearing with the commissioner. The
183.3 order of the administrative law judge constitutes the final decision in this case. A financial
183.4 institution is considered to be in compliance with this section if it demonstrates that it is
183.5 working in good faith to implement the data match program.

183.6 Subd. 9. **Confidentiality.** A financial institution furnishing a report to the
183.7 commissioner under this section is prohibited from disclosing to a debtor that the name of
183.8 the debtor has been received from or furnished to the commissioner.

183.9 Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to
183.10 provide information to the commissioner in compliance with this section is not liable to
183.11 any person for disclosing the information or for taking any other action in good faith as
183.12 authorized by this section.

183.13 **EFFECTIVE DATE.** This section is effective July 1, 2008, except that subdivision
183.14 8 is effective July 1, 2009.

183.15 Sec. 15. Minnesota Statutes 2006, section 15A.0815, subdivision 2, as amended by
183.16 Laws 2008, chapter 204, section 3, is amended to read:

183.17 Subd. 2. **Group I salary limits.** The salaries for positions in this subdivision may
183.18 not exceed 95 percent of the salary of the governor:

183.19 Commissioner of administration;

183.20 Commissioner of agriculture;

183.21 Commissioner of education;

183.22 Commissioner of commerce;

183.23 Commissioner of corrections;

183.24 Commissioner of finance;

183.25 Commissioner of health;

183.26 Executive director, Minnesota Office of Higher Education;

183.27 Commissioner, Housing Finance Agency;

183.28 Commissioner of human rights;

183.29 Commissioner of human services;

183.30 Commissioner of labor and industry;

183.31 Commissioner of natural resources;

183.32 Director of Office of Strategic and Long-Range Planning;

183.33 Commissioner, Pollution Control Agency;

183.34 Executive director, Public Employees Retirement Association;

183.35 Commissioner of public safety;

- 184.1 Commissioner of revenue;
- 184.2 Executive director, State Retirement System;
- 184.3 Executive director, Teachers Retirement Association;
- 184.4 Commissioner of employment and economic development;
- 184.5 Commissioner of transportation; and
- 184.6 Commissioner of veterans affairs.

184.7 Sec. 16. Minnesota Statutes 2006, section 15A.0815, subdivision 3, is amended to read:

184.8 Subd. 3. **Group II salary limits.** The salaries for positions in this subdivision may
184.9 not exceed 85 percent of the salary of the governor:

- 184.10 Executive director of Gambling Control Board;
- 184.11 Commissioner, Iron Range Resources and Rehabilitation Board;
- 184.12 Commissioner, Bureau of Mediation Services;
- 184.13 Ombudsman for Mental Health and Developmental Disabilities;
- 184.14 Chair, Metropolitan Council;
- 184.15 Executive director of pari-mutuel racing; and
- 184.16 ~~Executive director, Public Employees Retirement Association;~~
- 184.17 Commissioner, Public Utilities Commission; and
- 184.18 ~~Executive director, State Retirement System; and~~
- 184.19 ~~Executive director, Teachers Retirement Association.~~

184.20 Sec. 17. Minnesota Statutes 2006, section 270B.085, is amended by adding a
184.21 subdivision to read:

184.22 Subd. 4. **Data matching program for collection of tax debts.** The commissioner
184.23 may disclose the name, last known address, and Social Security number of taxpayers who
184.24 owe delinquent state taxes for the purpose of administering the tax debt data matching
184.25 program with financial institutions under section 13B.07.

184.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

184.27 Sec. 18. Laws 2005, chapter 156, article 1, section 11, subdivision 2, is amended to
184.28 read:

184.29	Subd. 2. State Facilities Services	16,070,000	10,946,000
184.30	\$5,124,000 the first year is for onetime		
184.31	funding of agency relocation expenses. <u>This</u>		
184.32	<u>amount is available until June 30, 2009.</u>		

185.1 The Department of Human Services will
185.2 obtain federal reimbursement for associated
185.3 relocation expenses. This amount, estimated
185.4 to be \$1,870,000, will be deposited in the
185.5 general fund.

185.6 \$7,888,000 the first year and \$7,888,000 the
185.7 second year are for office space costs of the
185.8 legislature and veterans organizations, for
185.9 ceremonial space, and for statutorily free
185.10 space.

185.11 \$2,000,000 of the balance in the state building
185.12 code account in the state government special
185.13 revenue fund is canceled to the general fund.

185.14 \$1,950,000 the first year and \$1,950,000 the
185.15 second year of the balance in the facilities
185.16 repair and replacement account in the special
185.17 revenue fund is canceled to the general fund.

185.18 This is a onetime cancellation.

185.19 Sec. 19. Laws 2006, chapter 282, article 2, section 27, subdivision 4, is amended to
185.20 read:

185.21 Subd. 4. **Expiration.** The commission expires ~~December 31, 2008~~ June 30, 2009.

185.22 Sec. 20. Laws 2007, chapter 148, article 1, section 12, subdivision 4, is amended to
185.23 read:

185.24 Subd. 4. **Administrative Management Services** 5,672,000 5,218,000

185.25 (a) \$125,000 the first year is to create an
185.26 Office of Grants Management to standardize
185.27 state grants management policies and
185.28 procedures. For the fiscal year beginning
185.29 July 1, 2008, the commissioner ~~must~~ may
185.30 deduct up to \$125,000 from state grants
185.31 that are subject to Minnesota Statutes,
185.32 section 16B.97, to nongovernmental
185.33 nonstate entities, as necessary to fund the

186.1 commissioner's duties under new Minnesota
186.2 Statutes, sections 16B.97 and 16B.98.
186.3 The amount deducted from appropriations
186.4 for these grants is transferred to the
186.5 commissioner for purposes of administering
186.6 these sections.

186.7 (b) \$250,000 the first year and \$250,000
186.8 the second year are to establish a small
186.9 agency resource team to consolidate and
186.10 streamline the human resources and financial
186.11 management activities for small state
186.12 agencies, boards, and councils.

186.13 (c) \$500,000 the first year is a onetime
186.14 appropriation for a targeted group business
186.15 disparity study. The commissioner
186.16 must cooperate with units of local
186.17 government conducting similar studies. The
186.18 commissioner shall ensure that the results of
186.19 the study are kept current and that any new or
186.20 upgraded accounting or procurement systems
186.21 properly record purchases from minority and
186.22 female-owned businesses through the use of
186.23 state contracts, and the availability of bids
186.24 from those businesses.

186.25 (d) \$74,000 the first year and \$74,000
186.26 the second year are for the Council on
186.27 Developmental Disabilities.

186.28 (e) \$140,000 in fiscal year 2008 and \$140,000
186.29 in fiscal year 2009 are for a grant to the
186.30 Council on Developmental Disabilities
186.31 for the purpose of establishing a statewide
186.32 self-advocacy network for persons with
186.33 intellectual and developmental disabilities
186.34 (ID/DD). The self-advocacy network shall:

187.1 (1) ensure that persons with ID/DD are
187.2 informed of their rights in employment,
187.3 housing, transportation, voting, government
187.4 policy, and other issues pertinent to the
187.5 ID/DD community;

187.6 (2) provide public education and awareness
187.7 of the civil and human rights issues persons
187.8 with ID/DD face;

187.9 (3) provide funds, technical assistance, and
187.10 other resources for self-advocacy groups
187.11 across the state; and

187.12 (4) organize systems of communications
187.13 to facilitate an exchange of information
187.14 between self-advocacy groups.

187.15 This appropriation is in addition to any other
187.16 appropriations and must be added to the base
187.17 appropriation beginning in fiscal year 2010.

187.18 Sec. 21. **PROFESSIONAL AND TECHNICAL CONTRACTS.**

187.19 By July 1, 2008, the commissioner of finance shall allocate a reduction of \$1,875,000
187.20 among the general fund appropriations for fiscal year 2009 to executive branch state
187.21 agencies, as defined in Minnesota Statutes, section 16A.011, subdivision 12a. To the
187.22 extent possible, this reduction must be achieved through reductions in expenditures for
187.23 professional and technical contracts, as defined in Minnesota Statutes, section 16C.08,
187.24 subdivision 1. Executive branch state agencies shall cooperate with the commissioner
187.25 of finance in developing and implementing the reductions. Any reductions that cannot
187.26 be achieved through savings in professional and technical contracts must be allocated
187.27 proportionally across executive branch state agency operating budgets. For the purposes
187.28 of defining the base under Minnesota Statutes, section 16A.11, subdivision 3, paragraph
187.29 (b), \$575,000 each year must be allocated as a permanent reduction to state agency
187.30 base appropriations for fiscal years 2010 and 2011. The reductions must be allocated in
187.31 proportion to the fiscal year 2009 reduction. For purposes of this subdivision, "executive
187.32 branch state agency" does not include the Minnesota State Colleges and Universities. By
187.33 January 15, 2009, the commissioner of finance shall report to the chairs and ranking
187.34 minority members of the legislative committees with jurisdiction over finance regarding

188.1 the amount of the reductions in professional and technical contract spending by each
188.2 agency.

188.3 Sec. 22. **LEGISLATORS' FORUM.**

188.4 During the biennium ending June 30, 2009, the Legislative Coordinating
188.5 Commission must pay expenses associated with Minnesota legislators' participation in
188.6 a legislators' forum, through which Minnesota legislators meet with counterparts from
188.7 South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

188.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

ARTICLE 14

RESERVES AND TRANSFERS

188.11 Section 1. **BUDGET RESERVE REDUCTION.**

188.12 On July 1, 2008, the commissioner of finance shall cancel \$500,000,000 of the
188.13 balance in the budget reserve account in Minnesota Statutes, section 16A.152, to the
188.14 general fund.

188.15 **Sec. 2. DUPLICATE APPROPRIATIONS.**

188.16 Unless another act explicitly provides otherwise, appropriations and transfers made
188.17 in this act and other acts must be implemented only once even if the provision or a similar
188.18 provision with the same fiscal effect in the same fiscal year is included in another act. This
188.19 section applies to laws enacted in the 2008 regular session.

188.20 **Sec. 3. SEVERABLE PROVISIONS.**

188.21 If any provision of this act is found to be unconstitutional, the remaining provisions
188.22 of this act remain valid.

ARTICLE 15

CONTINUING CARE

188.25 Section 1. Minnesota Statutes 2006, section 256B.0621, subdivision 2, is amended to
188.26 read:

188.27 Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3
188.28 to 10, the following terms have the meanings given them:

188.29 (1) "home care service recipients" means those individuals receiving the following
188.30 services under sections 256B.0651 to 256B.0656: skilled nursing visits, home health aide

189.1 visits, private duty nursing, personal care assistants, or therapies provided through a
189.2 home health agency;

189.3 (2) "home care targeted case management" means the provision of targeted case
189.4 management services for the purpose of assisting home care service recipients to gain
189.5 access to needed services and supports so that they may remain in the community;

189.6 (3) "institutions" means hospitals, consistent with Code of Federal Regulations, title
189.7 42, section 440.10; regional treatment center inpatient services, consistent with section
189.8 245.474; nursing facilities; and intermediate care facilities for persons with developmental
189.9 disabilities;

189.10 (4) "relocation targeted case management" includes the provision of both county
189.11 targeted case management and public or private vendor service coordination services
189.12 for the purpose of assisting recipients to gain access to needed services and supports if
189.13 they choose to move from an institution to the community. Relocation targeted case
189.14 management may be provided during the lesser of:

189.15 (i) the last 180 consecutive days of an eligible recipient's institutional stay; or

189.16 (ii) the limits and conditions which apply to federal Medicaid funding for this
189.17 service; and

189.18 (5) "targeted case management" means case management services provided to help
189.19 recipients gain access to needed medical, social, educational, and other services and
189.20 supports.

189.21 Sec. 2. Minnesota Statutes 2006, section 256B.0621, subdivision 6, is amended to read:

189.22 Subd. 6. **Eligible services.** (a) Services eligible for medical assistance
189.23 reimbursement as targeted case management include:

189.24 (1) assessment of the recipient's need for targeted case management services and
189.25 for persons choosing to relocate, the county must provide service coordination provider
189.26 options at the first contact and upon request;

189.27 (2) development, completion, and regular review of a written individual service
189.28 plan, which is based upon the assessment of the recipient's needs and choices, and which
189.29 will ensure access to medical, social, educational, and other related services and supports;

189.30 (3) routine contact or communication with the recipient, recipient's family, primary
189.31 caregiver, legal representative, substitute care provider, service providers, or other relevant
189.32 persons identified as necessary to the development or implementation of the goals of the
189.33 individual service plan;

(4) coordinating referrals for, and the provision of, case management services for the recipient with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery and engaging in advocacy as needed to ensure quality of services, appropriateness, and continued need;

(6) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(7) assisting individuals in order to access needed services, including travel to conduct a visit with the recipient or other relevant person necessary to develop or implement the goals of the individual service plan; and

(8) coordinating with the institution discharge planner ~~in the 180-day period~~ before the recipient's discharge.

(b) Relocation targeted county case management includes services under paragraph (a), clauses (1), (2), and (4). Relocation service coordination includes services under paragraph (a), clauses (3) and (5) to (8). Home care targeted case management includes services under paragraph (a), clauses (1) to (8).

Sec. 3. Minnesota Statutes 2006, section 256B.0621, subdivision 10, is amended to read:

Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted case management under this subdivision. Case managers may bill according to the following criteria:

(1) for relocation targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts, in the lesser of:

(i) 180 days preceding an eligible recipient's discharge from an institution; or

(ii) the limits and conditions which apply to federal Medicaid funding for this service;

(2) for home care targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts; and

(3) billings for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

Sec. 4. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with

191.1 serious and persistent mental illness and children with severe emotional disturbance.
191.2 Services provided under this section must meet the relevant standards in sections 245.461
191.3 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota
191.4 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

191.5 (b) Entities meeting program standards set out in rules governing family community
191.6 support services as defined in section 245.4871, subdivision 17, are eligible for medical
191.7 assistance reimbursement for case management services for children with severe
191.8 emotional disturbance when these services meet the program standards in Minnesota
191.9 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

191.10 (c) Medical assistance and MinnesotaCare payment for mental health case
191.11 management shall be made on a monthly basis. In order to receive payment for an eligible
191.12 child, the provider must document at least a face-to-face contact with the child, the child's
191.13 parents, or the child's legal representative. To receive payment for an eligible adult, the
191.14 provider must document:

191.15 (1) at least a face-to-face contact with the adult or the adult's legal representative; or

191.16 (2) at least a telephone contact with the adult or the adult's legal representative and
191.17 document a face-to-face contact with the adult or the adult's legal representative within
191.18 the preceding two months.

191.19 (d) Payment for mental health case management provided by county or state staff
191.20 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
191.21 paragraph (b), with separate rates calculated for child welfare and mental health, and
191.22 within mental health, separate rates for children and adults.

191.23 (e) Payment for mental health case management provided by Indian health services
191.24 or by agencies operated by Indian tribes may be made according to this section or other
191.25 relevant federally approved rate setting methodology.

191.26 (f) Payment for mental health case management provided by vendors who contract
191.27 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county
191.28 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same
191.29 service to other payers. If the service is provided by a team of contracted vendors, the
191.30 county or tribe may negotiate a team rate with a vendor who is a member of the team. The
191.31 team shall determine how to distribute the rate among its members. No reimbursement
191.32 received by contracted vendors shall be returned to the county or tribe, except to reimburse
191.33 the county or tribe for advance funding provided by the county or tribe to the vendor.

191.34 (g) If the service is provided by a team which includes contracted vendors, tribal
191.35 staff, and county or state staff, the costs for county or state staff participation in the team
191.36 shall be included in the rate for county-provided services. In this case, the contracted

192.1 vendor, the tribal agency, and the county may each receive separate payment for services
192.2 provided by each entity in the same month. In order to prevent duplication of services,
192.3 each entity must document, in the recipient's file, the need for team case management and
192.4 a description of the roles of the team members.

192.5 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
192.6 for mental health case management shall be provided by the recipient's county of
192.7 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal
192.8 funds or funds used to match other federal funds. If the service is provided by a tribal
192.9 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this
192.10 service is paid by the state without a federal share through fee-for-service, 50 percent of
192.11 the cost shall be provided by the recipient's county of responsibility.

192.12 (i) Notwithstanding any administrative rule to the contrary, prepaid medical
192.13 assistance, general assistance medical care, and MinnesotaCare include mental health case
192.14 management. When the service is provided through prepaid capitation, the nonfederal
192.15 share is paid by the state and the county pays no share.

192.16 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a
192.17 provider that does not meet the reporting or other requirements of this section. The county
192.18 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal
192.19 agency, is responsible for any federal disallowances. The county or tribe may share this
192.20 responsibility with its contracted vendors.

192.21 (k) The commissioner shall set aside a portion of the federal funds earned for county
192.22 expenditures under this section to repay the special revenue maximization account under
192.23 section 256.01, subdivision 2, clause (15). The repayment is limited to:

- 192.24 (1) the costs of developing and implementing this section; and
192.25 (2) programming the information systems.

192.26 (l) Payments to counties and tribal agencies for case management expenditures
192.27 under this section shall only be made from federal earnings from services provided
192.28 under this section. When this service is paid by the state without a federal share through
192.29 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to
192.30 county-contracted vendors shall include the federal earnings, the state share, and the
192.31 county share.

192.32 (m) Case management services under this subdivision do not include therapy,
192.33 treatment, legal, or outreach services.

192.34 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or
192.35 hospital, and the recipient's institutional care is paid by medical assistance, payment for
192.36 case management services under this subdivision is limited to the lesser of:

193.1 (1) the last 180 days of the recipient's residency in that facility and may not exceed
193.2 more than six months in a calendar year; or
193.3 (2) the limits and conditions which apply to federal Medicaid funding for this service.
193.4 (o) Payment for case management services under this subdivision shall not duplicate
193.5 payments made under other program authorities for the same purpose.

193.6 Sec. 5. **[256B.0658] HOUSING ACCESS GRANTS.**

193.7 The commissioner of human services shall award through a competitive process
193.8 contracts for grants to public and private agencies to support and assist individuals eligible
193.9 for publicly funded home and community-based services, including state plan home care,
193.10 to access housing. Grants may be awarded to agencies that may include, but are not limited
193.11 to, the following supports: assessment to assure suitability of housing, accompanying an
193.12 individual to look at housing, filling out applications and rental agreements, meeting
193.13 with landlords, helping with Section 8 or other program applications, helping to develop
193.14 a budget, obtaining furniture and household goods, if necessary, and assisting with any
193.15 problems that may arise with housing.

193.16 Sec. 6. Minnesota Statutes 2006, section 256B.0924, subdivision 4, is amended to read:

193.17 Subd. 4. **Targeted case management service activities.** (a) For persons with
193.18 developmental disabilities, targeted case management services must meet the provisions
193.19 of section 256B.092.

193.20 (b) For persons not eligible as a person with a developmental disability, targeted
193.21 case management service activities include:

193.22 (1) an assessment of the person's need for targeted case management services;

193.23 (2) the development of a written personal service plan;

193.24 (3) a regular review and revision of the written personal service plan with the
193.25 recipient and the recipient's legal representative, and others as identified by the recipient,
193.26 to ensure access to necessary services and supports identified in the plan;

193.27 (4) effective communication with the recipient and the recipient's legal representative
193.28 and others identified by the recipient;

193.29 (5) coordination of referrals for needed services with qualified providers;

193.30 (6) coordination and monitoring of the overall service delivery to ensure the quality
193.31 and effectiveness of services;

193.32 (7) assistance to the recipient and the recipient's legal representative to help make
193.33 an informed choice of services;

194.1 (8) advocating on behalf of the recipient when service barriers are encountered or
194.2 referring the recipient and the recipient's legal representative to an independent advocate;

194.3 (9) monitoring and evaluating services identified in the personal service plan to
194.4 ensure personal outcomes are met and to ensure satisfaction with services and service
194.5 delivery;

194.6 (10) conducting face-to-face monitoring with the recipient at least twice a year;

194.7 (11) completing and maintaining necessary documentation that supports and verifies
194.8 the activities in this section;

194.9 (12) coordinating with the medical assistance facility discharge planner ~~in the~~
194.10 ~~180-day period~~ prior to the recipient's discharge into the community; and

194.11 (13) a personal service plan developed and reviewed at least annually with the
194.12 recipient and the recipient's legal representative. The personal service plan must be revised
194.13 when there is a change in the recipient's status. The personal service plan must identify:

194.14 (i) the desired personal short and long-term outcomes;

194.15 (ii) the recipient's preferences for services and supports, including development of
194.16 a person-centered plan if requested; and

194.17 (iii) formal and informal services and supports based on areas of assessment, such
194.18 as: social, health, mental health, residence, family, educational and vocational, safety,
194.19 legal, self-determination, financial, and chemical health as determined by the recipient and
194.20 the recipient's legal representative and the recipient's support network.

194.21 Sec. 7. Minnesota Statutes 2006, section 256B.0924, subdivision 6, is amended to read:

194.22 Subd. 6. **Payment for targeted case management.** (a) Medical assistance and
194.23 MinnesotaCare payment for targeted case management shall be made on a monthly basis.
194.24 In order to receive payment for an eligible adult, the provider must document at least one
194.25 contact per month and not more than two consecutive months without a face-to-face
194.26 contact with the adult or the adult's legal representative, family, primary caregiver, or
194.27 other relevant persons identified as necessary to the development or implementation
194.28 of the goals of the personal service plan.

194.29 (b) Payment for targeted case management provided by county staff under this
194.30 subdivision shall be based on the monthly rate methodology under section 256B.094,
194.31 subdivision 6, paragraph (b), calculated as one combined average rate together with
194.32 adult mental health case management under section 256B.0625, subdivision 20, except
194.33 for calendar year 2002. In calendar year 2002, the rate for case management under this
194.34 section shall be the same as the rate for adult mental health case management in effect

195.1 as of December 31, 2001. Billing and payment must identify the recipient's primary
195.2 population group to allow tracking of revenues.

195.3 (c) Payment for targeted case management provided by county-contracted vendors
195.4 shall be based on a monthly rate negotiated by the host county. The negotiated rate must
195.5 not exceed the rate charged by the vendor for the same service to other payers. If the
195.6 service is provided by a team of contracted vendors, the county may negotiate a team rate
195.7 with a vendor who is a member of the team. The team shall determine how to distribute
195.8 the rate among its members. No reimbursement received by contracted vendors shall be
195.9 returned to the county, except to reimburse the county for advance funding provided by
195.10 the county to the vendor.

195.11 (d) If the service is provided by a team that includes contracted vendors and county
195.12 staff, the costs for county staff participation on the team shall be included in the rate for
195.13 county-provided services. In this case, the contracted vendor and the county may each
195.14 receive separate payment for services provided by each entity in the same month. In
195.15 order to prevent duplication of services, the county must document, in the recipient's file,
195.16 the need for team targeted case management and a description of the different roles of
195.17 the team members.

195.18 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
195.19 for targeted case management shall be provided by the recipient's county of responsibility,
195.20 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or
195.21 funds used to match other federal funds.

195.22 (f) The commissioner may suspend, reduce, or terminate reimbursement to a
195.23 provider that does not meet the reporting or other requirements of this section. The county
195.24 of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
195.25 disallowances. The county may share this responsibility with its contracted vendors.

195.26 (g) The commissioner shall set aside five percent of the federal funds received under
195.27 this section for use in reimbursing the state for costs of developing and implementing
195.28 this section.

195.29 (h) Payments to counties for targeted case management expenditures under this
195.30 section shall only be made from federal earnings from services provided under this
195.31 section. Payments to contracted vendors shall include both the federal earnings and the
195.32 county share.

195.33 (i) Notwithstanding section 256B.041, county payments for the cost of case
195.34 management services provided by county staff shall not be made to the commissioner of
195.35 finance. For the purposes of targeted case management services provided by county staff

196.1 under this section, the centralized disbursement of payments to counties under section
196.2 256B.041 consists only of federal earnings from services provided under this section.

196.3 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or
196.4 hospital, and the recipient's institutional care is paid by medical assistance, payment for
196.5 targeted case management services under this subdivision is limited to the lesser of:

196.6 (1) the last 180 days of the recipient's residency in that facility and may not exceed
196.7 ~~more than six months in a calendar year; or~~

196.8 (2) the limits and conditions which apply to federal Medicaid funding for this service.

196.9 (k) Payment for targeted case management services under this subdivision shall not
196.10 duplicate payments made under other program authorities for the same purpose.

196.11 (l) Any growth in targeted case management services and cost increases under this
196.12 section shall be the responsibility of the counties.

196.13 Sec. 8. Minnesota Statutes 2006, section 256B.19, subdivision 1d, is amended to read:

196.14 Subd. 1d. **Portion of nonfederal share to be paid by certain counties.** (a)

196.15 In addition to the percentage contribution paid by a county under subdivision 1, the
196.16 governmental units designated in this subdivision shall be responsible for an additional
196.17 portion of the nonfederal share of medical assistance cost. For purposes of this
196.18 subdivision, "designated governmental unit" means the counties of Becker, Beltrami,
196.19 Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St.
196.20 Louis, Steele, Todd, Traverse, and Wadena.

196.21 (b) Beginning in 1994, each of the governmental units designated in this subdivision
196.22 shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the
196.23 number of licensed beds in any nursing home owned and operated by the county on that
196.24 date, with the county named as licensee, multiplied by \$5,723. If two or more counties own
196.25 and operate a nursing home, the payment shall be prorated. These sums shall be part of the
196.26 designated governmental unit's portion of the nonfederal share of medical assistance costs.

196.27 (c) Beginning in 2002, in addition to any transfer under paragraph (b), each of the
196.28 governmental units designated in this subdivision shall transfer before noon on May 31
196.29 to the state Medicaid agency an amount equal to the number of licensed beds in any
196.30 nursing home owned and operated by the county on that date, with the county named as
196.31 licensee, multiplied by \$10,784. The provisions of paragraph (b) apply to transfers under
196.32 this paragraph.

196.33 ~~(d) Beginning in 2003, in addition to any transfer under paragraphs (b) and (c), each~~
196.34 ~~of the governmental units designated in this subdivision shall transfer before noon on May~~
196.35 ~~31 to the state Medicaid agency an amount equal to the number of licensed beds in any~~

197.1 ~~nursing home owned and operated by the county on that date, with the county named as~~
197.2 ~~licensee, multiplied by \$2,230. The provisions of paragraph (b) apply to transfers under~~
197.3 ~~this paragraph.~~

197.4 ~~(e)~~ (d) The commissioner may reduce the intergovernmental transfers under
197.5 ~~paragraphs paragraph~~ (c) ~~and (d)~~ based on the commissioner's determination of the
197.6 payment rate in section 256B.431, subdivision 23, paragraphs (c); ~~and (d); and (e).~~ Any
197.7 adjustments must be made on a per-bed basis and must result in an amount equivalent to
197.8 the total amount resulting from the rate adjustment in section 256B.431, subdivision 23,
197.9 paragraphs (c); ~~and (d); and (e).~~

197.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

197.11 Sec. 9. Minnesota Statutes 2006, section 256B.431, subdivision 23, is amended to read:

197.12 Subd. 23. **County nursing home payment adjustments.** (a) Beginning in 1994,
197.13 the commissioner shall pay a nursing home payment adjustment on May 31 after noon
197.14 to a county in which is located a nursing home that, on that date, was county-owned and
197.15 operated, with the county named as licensee by the commissioner of health, and had over
197.16 40 beds and medical assistance occupancy in excess of 50 percent during the reporting
197.17 year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per
197.18 calendar day multiplied by the number of beds licensed in the facility on that date.

197.19 (b) Payments under paragraph (a) are excluded from medical assistance per diem
197.20 rate calculations. These payments are required notwithstanding any rule prohibiting
197.21 medical assistance payments from exceeding payments from private pay residents. A
197.22 facility receiving a payment under paragraph (a) may not increase charges to private pay
197.23 residents by an amount equivalent to the per diem amount payments under paragraph (a)
197.24 would equal if converted to a per diem.

197.25 (c) Beginning in 2002, in addition to any payment under paragraph (a), the
197.26 commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in
197.27 an amount equal to \$29.55 per calendar day multiplied by the number of beds licensed
197.28 in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments
197.29 under this paragraph.

197.30 ~~(d) Beginning in 2003, in addition to any payment under paragraphs (a) and (c), the~~
197.31 ~~commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in~~
197.32 ~~an amount equal to \$6.11 per calendar day multiplied by the number of beds licensed in~~
197.33 ~~the facility on that date. The provisions of paragraphs (a) and (b) apply to payments~~
197.34 ~~under this paragraph.~~

198.1 ~~(e)~~ (d) The commissioner may reduce payments under ~~paragraphs~~ paragraph (c) and
198.2 ~~(d)~~ based on the commissioner's determination of Medicare upper payment limits. Any
198.3 adjustments must be proportional to adjustments made under section 256B.19, subdivision
198.4 1d, paragraph ~~(e)~~ (d).

198.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

198.6 Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 1,
198.7 is amended to read:

198.8 Subdivision 1. **Rebasing of nursing facility operating ~~cost~~ payment rates.** (a)
198.9 The commissioner shall rebase nursing facility operating ~~cost~~ payment rates to align
198.10 payments to facilities with the cost of providing care. The rebased operating ~~cost~~ payment
198.11 rates shall be calculated using the statistical and cost report filed by each nursing facility
198.12 for the report period ending one year prior to the rate year.

198.13 (b) The new operating ~~cost~~ payment rates based on this section shall take effect
198.14 beginning with the rate year beginning October 1, 2008, and shall be phased in over eight
198.15 rate years through October 1, 2015. For each year of the phase-in, the operating payment
198.16 rates shall be calculated using the statistical and cost report filed by each nursing facility
198.17 for the report period ending one year prior to the rate year.

198.18 (c) Operating ~~cost~~ payment rates shall be rebased on October 1, 2016, and every
198.19 two years after that date.

198.20 (d) Each cost reporting year shall begin on October 1 and end on the following
198.21 September 30. Beginning in 2006, a statistical and cost report shall be filed by each
198.22 nursing facility by January 15. Notice of rates shall be distributed by August 15 and the
198.23 rates shall go into effect on October 1 for one year.

198.24 (e) Effective October 1, 2014, property rates shall be rebased in accordance with
198.25 section 256B.431 and Minnesota Rules, chapter 9549. The commissioner shall determine
198.26 what the property payment rate for a nursing facility would be had the facility not had its
198.27 property rate determined under section 256B.434. The commissioner shall allow nursing
198.28 facilities to provide information affecting this rate determination that would have been
198.29 filed annually under Minnesota Rules, chapter 9549, and nursing facilities shall report
198.30 information necessary to determine allowable debt. The commissioner shall use this
198.31 information to determine the property payment rate.

198.32 Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 55,
198.33 is amended to read:

199.1 Subd. 55. **Phase-in of rebased operating ~~cost~~ payment rates.** (a) For the rate
199.2 years beginning October 1, 2008, to October 1, ~~2012~~ 2015, the operating ~~cost~~ payment
199.3 rate calculated under this section shall be phased in by blending the operating ~~cost~~ rate
199.4 with the operating ~~cost~~ payment rate determined under section 256B.434. For purposes
199.5 of this subdivision, the rate to be used that is determined under section 256B.434 shall
199.6 not include the portion of the operating payment rate related to performance-based
199.7 incentive payments under section 256B.434, subdivision 4, paragraph (d). For the rate
199.8 year beginning October 1, 2008, the operating ~~cost~~ payment rate for each facility shall
199.9 be 13 percent of the operating ~~cost~~ payment rate from this section, and 87 percent of the
199.10 operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1,
199.11 2009, the operating ~~cost~~ payment rate for each facility shall be 14 percent of the operating
199.12 ~~cost~~ payment rate from this section, and 86 percent of the operating ~~cost~~ payment rate from
199.13 section 256B.434. For the rate year beginning October 1, 2010, the operating ~~cost~~ payment
199.14 rate for each facility shall be 14 percent of the operating ~~cost~~ payment rate from this
199.15 section, and 86 percent of the operating ~~cost~~ payment rate from section 256B.434. For the
199.16 rate year beginning October 1, 2011, the operating ~~cost~~ payment rate for each facility shall
199.17 be 31 percent of the operating ~~cost~~ payment rate from this section, and 69 percent of the
199.18 operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1,
199.19 2012, the operating ~~cost~~ payment rate for each facility shall be 48 percent of the operating
199.20 ~~cost~~ payment rate from this section, and 52 percent of the operating ~~cost~~ payment rate
199.21 from section 256B.434. For the rate year beginning October 1, 2013, the operating ~~cost~~
199.22 payment rate for each facility shall be 65 percent of the operating ~~cost~~ payment rate from
199.23 this section, and 35 percent of the operating ~~cost~~ payment rate from section 256B.434. For
199.24 the rate year beginning October 1, 2014, the operating ~~cost~~ payment rate for each facility
199.25 shall be 82 percent of the operating ~~cost~~ payment rate from this section, and 18 percent
199.26 of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning
199.27 October 1, 2015, the operating ~~cost~~ payment rate for each facility shall be the operating
199.28 ~~cost~~ payment rate determined under this section. The blending of operating ~~cost~~ payment
199.29 rates under this section shall be performed separately for each RUG's class.

199.30 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
199.31 to the operating payment rate increases under paragraph (a) by creating a minimum
199.32 percentage increase and a maximum percentage increase.

199.33 (1) Each nursing facility that receives a blended October 1, 2008, operating payment
199.34 rate increase under paragraph (a) of less than one percent, when compared to its operating
199.35 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
199.36 shall receive a rate adjustment of one percent.

200.1 (2) The commissioner shall determine a maximum percentage increase that will
200.2 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
200.3 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
200.4 (a) greater than the maximum percentage increase determined by the commissioner, when
200.5 compared to its operating payment rate on September 30, 2008, computed using rates with
200.6 a RUG's weight of 1.00, shall receive the maximum percentage increase.

200.7 (3) Nursing facilities with a blended October 1, 2008, operating payment rate
200.8 increase under paragraph (a) greater than one percent and less than the maximum
200.9 percentage increase determined by the commissioner, when compared to its operating
200.10 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
200.11 shall receive the blended October 1, 2008, operating payment rate increase determined
200.12 under paragraph (a).

200.13 (4) The October 1, 2009, through October 1, 2015, operating payment rate for
200.14 facilities receiving the maximum percentage increase determined in clause (2) shall be
200.15 the amount determined under paragraph (a) less the difference between the amount
200.16 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
200.17 (2). This rate restriction does not apply to rate increases provided in any other section.

200.18 ~~(b)~~ (c) A portion of the funds received under this subdivision that are in excess of
200.19 operating ~~cost~~ payment rates that a facility would have received under section 256B.434,
200.20 as determined in accordance with clauses (1) to (3), shall be subject to the requirements in
200.21 section 256B.434, subdivision 19, paragraphs (b) to (h).

200.22 (1) Determine the amount of additional funding available to a facility, which shall be
200.23 equal to total medical assistance resident days from the most recent reporting year times
200.24 the difference between the blended rate determined in paragraph (a) for the rate year being
200.25 computed and the blended rate for the prior year.

200.26 (2) Determine the portion of all operating costs, for the most recent reporting year,
200.27 that are compensation related. If this value exceeds 75 percent, use 75 percent.

200.28 (3) Subtract the amount determined in clause (2) from 75 percent.

200.29 (4) The portion of the fund received under this subdivision that shall be subject to
200.30 the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal
200.31 the amount determined in clause (1) times the amount determined in clause (3).

200.32 Sec. 12. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 56,
200.33 is amended to read:

200.34 Subd. 56. **Hold harmless.** For the rate years beginning October 1, 2008, to October
200.35 1, 2016, no nursing facility shall receive an operating cost payment rate less than its

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201.1 operating cost payment rate under section 256B.434. For rate years beginning between
201.2 October 1, 2009, and October 1, 2015, no nursing facility shall receive an operating
201.3 payment rate less than its operating payment rate in effect on September 30, 2009. The
201.4 comparison of operating ~~cost~~ payment rates under this section shall be made for a RUG's
201.5 rate with a weight of 1.00.

201.6 Sec. 13. Minnesota Statutes 2007 Supplement, section 256B.5012, subdivision 7,
201.7 is amended to read:

201.8 Subd. 7. **ICF/MR rate increases effective October 1, 2007, and October 1, 2008.**

201.9 (a) For the rate year beginning October 1, 2007, the commissioner shall make available
201.10 to each facility reimbursed under this section operating payment rate adjustments equal
201.11 to 2.0 percent of the operating payment rates in effect on September 30, 2007. For the
201.12 rate year beginning ~~July~~ October 1, 2008, the commissioner shall make available to each
201.13 facility reimbursed under this section operating payment rate adjustments equal to 2.0
201.14 percent of the operating payment rates in effect on ~~June~~ September 30, 2008. For each
201.15 facility, the commissioner shall make available an adjustment, based on occupied beds,
201.16 using the percentage specified in this paragraph multiplied by the total payment rate,
201.17 including the variable rate but excluding the property-related payment rate, in effect
201.18 on the preceding day. The total payment rate shall include the adjustment provided in
201.19 section 256B.501, subdivision 12. A facility whose payment rates are governed by closure
201.20 agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible
201.21 for an adjustment otherwise granted under this subdivision.

201.22 (b) Seventy-five percent of the money resulting from the rate adjustments under
201.23 paragraph (a) must be used for increases in compensation-related costs for employees
201.24 directly employed by the facility on or after the effective date of the rate adjustments,
201.25 except:

201.26 (1) the administrator;

201.27 (2) persons employed in the central office of a corporation that has an ownership
201.28 interest in the facility or exercises control over the facility; and

201.29 (3) persons paid by the facility under a management contract.

201.30 (c) Two-thirds of the money available under paragraph (b) must be used for wage
201.31 increases for all employees directly employed by the facility on or after the effective
201.32 date of the rate adjustments, except those listed in paragraph (b), clauses (1) to (3). The
201.33 wage adjustment that employees receive under this paragraph must be paid as an equal
201.34 hourly percentage wage increase for all eligible employees. All wage increases under this
201.35 paragraph must be effective on the same date. Only costs associated with the portion of

202.1 the equal hourly percentage wage increase that goes to all employees shall qualify under
202.2 this paragraph. Costs associated with wage increases in excess of the amount of the equal
202.3 hourly percentage wage increase provided to all employees shall be allowed only for
202.4 meeting the requirements in paragraph (b). This paragraph shall not apply to employees
202.5 covered by a collective bargaining agreement.

202.6 (d) The commissioner shall allow as compensation-related costs all costs for:

202.7 (1) wages and salaries;

202.8 (2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers'
202.9 compensation;

202.10 (3) the employer's share of health and dental insurance, life insurance, disability
202.11 insurance, long-term care insurance, uniform allowance, and pensions; and

202.12 (4) other benefits provided, subject to the approval of the commissioner.

202.13 (e) The portion of the rate adjustments under paragraph (a) that is not subject to the
202.14 requirements in paragraphs (b) and (c) shall be provided to facilities effective October
202.15 1 of each year.

202.16 (f) Facilities may apply for the portion of the rate adjustments under paragraph

202.17 (a) that is subject to the requirements in paragraphs (b) and (c). The application
202.18 must be submitted to the commissioner within six months of the effective date of the
202.19 rate adjustments, and the facility must provide additional information required by
202.20 the commissioner within nine months of the effective date of the rate adjustments.

202.21 The commissioner must respond to all applications within three weeks of receipt.

202.22 The commissioner may waive the deadlines in this paragraph under extraordinary
202.23 circumstances, to be determined at the sole discretion of the commissioner. The
202.24 application must contain:

202.25 (1) an estimate of the amounts of money that must be used as specified in paragraphs
202.26 (b) and (c);

202.27 (2) a detailed distribution plan specifying the allowable compensation-related and
202.28 wage increases the facility will implement to use the funds available in clause (1);

202.29 (3) a description of how the facility will notify eligible employees of the contents of
202.30 the approved application, which must provide for giving each eligible employee a copy of
202.31 the approved application, excluding the information required in clause (1), or posting a
202.32 copy of the approved application, excluding the information required in clause (1), for
202.33 a period of at least six weeks in an area of the facility to which all eligible employees
202.34 have access; and

202.35 (4) instructions for employees who believe they have not received the
202.36 compensation-related or wage increases specified in clause (2), as approved by the

commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(g) The commissioner shall ensure that cost increases in distribution plans under paragraph (f), clause (2), that may be included in approved applications, comply with requirements in clauses (1) to (4):

(1) costs to be incurred during the applicable rate year resulting from wage and salary increases effective after October 1, 2006, and prior to the first day of the facility's payroll period that includes October 1 of each year shall be allowed if they were not used in the prior year's application and they meet the requirements of paragraphs (b) and (c);

(2) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct care employees;

(3) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1 of the year in which the rate adjustments are effective and prior to April 1 of the following year; and

(4) for facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, as regards members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2007. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this section as having been met in regard to the members of the bargaining unit.

(h) The commissioner shall review applications received under paragraph (f) and shall provide the portion of the rate adjustments under paragraphs (b) and (c) if the requirements of this subdivision have been met. The rate adjustments shall be effective October 1 of each year. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

Subd. 6. Service delivery. (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

204.1 (1) shall authorize and arrange for the provision of all needed health services
204.2 including but not limited to the full range of services listed in sections 256B.02,
204.3 subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to
204.4 enrollees. Notwithstanding section 256B.0621, demonstration providers that provide
204.5 nursing home and community-based services under this section shall provide relocation
204.6 service coordination to enrolled persons age 65 and over;

204.7 (2) shall accept the prospective, per capita payment from the commissioner in return
204.8 for the provision of comprehensive and coordinated health care services for eligible
204.9 individuals enrolled in the program;

204.10 (3) may contract with other health care and social service practitioners to provide
204.11 services to enrollees; and

204.12 (4) shall institute recipient grievance procedures according to the method established
204.13 by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved
204.14 through this process shall be appealable to the commissioner as provided in subdivision 11.

204.15 (b) Demonstration providers must comply with the standards for claims settlement
204.16 under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health
204.17 care and social service practitioners to provide services to enrollees. A demonstration
204.18 provider must pay a clean claim, as defined in Code of Federal Regulations, title 42,
204.19 section 447.45(b), within 30 business days of the date of acceptance of the claim.

204.20 Sec. 15. Minnesota Statutes 2006, section 256D.44, subdivision 2, is amended to read:

204.21 Subd. 2. **Standard of assistance for persons eligible for medical assistance**
204.22 **waivers or at risk of placement in a group residential housing facility.** The state
204.23 standard of assistance for a person who: (1) is eligible for a medical assistance home and
204.24 community-based services waiver or a person who; (2) has been determined by the local
204.25 agency to meet the plan requirements for placement in a group residential housing facility
204.26 under section 256I.04, subdivision 1a; or (3) is eligible for a shelter needy payment
204.27 under subdivision 5, paragraph (f), is the standard established in subdivision 3, paragraph
204.28 (a) or (b).

204.29 **EFFECTIVE DATE.** This section is effective January 1, 2009.

204.30 Sec. 16. Minnesota Statutes 2006, section 256D.44, subdivision 5, is amended to read:

204.31 Subd. 5. **Special needs.** In addition to the state standards of assistance established in
204.32 subdivisions 1 to 4, payments are allowed for the following special needs of recipients of
204.33 Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
204.34 center, or a group residential housing facility.

205.1 (a) The county agency shall pay a monthly allowance for medically prescribed
205.2 diets if the cost of those additional dietary needs cannot be met through some other
205.3 maintenance benefit. The need for special diets or dietary items must be prescribed by
205.4 a licensed physician. Costs for special diets shall be determined as percentages of the
205.5 allotment for a one-person household under the thrifty food plan as defined by the United
205.6 States Department of Agriculture. The types of diets and the percentages of the thrifty
205.7 food plan that are covered are as follows:

205.8 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

205.9 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent
205.10 of thrifty food plan;

205.11 (3) controlled protein diet, less than 40 grams and requires special products, 125
205.12 percent of thrifty food plan;

205.13 (4) low cholesterol diet, 25 percent of thrifty food plan;

205.14 (5) high residue diet, 20 percent of thrifty food plan;

205.15 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

205.16 (7) gluten-free diet, 25 percent of thrifty food plan;

205.17 (8) lactose-free diet, 25 percent of thrifty food plan;

205.18 (9) antidumping diet, 15 percent of thrifty food plan;

205.19 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

205.20 (11) ketogenic diet, 25 percent of thrifty food plan.

205.21 (b) Payment for nonrecurring special needs must be allowed for necessary home
205.22 repairs or necessary repairs or replacement of household furniture and appliances using
205.23 the payment standard of the AFDC program in effect on July 16, 1996, for these expenses,
205.24 as long as other funding sources are not available.

205.25 (c) A fee for guardian or conservator service is allowed at a reasonable rate
205.26 negotiated by the county or approved by the court. This rate shall not exceed five percent
205.27 of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the
205.28 guardian or conservator is a member of the county agency staff, no fee is allowed.

205.29 (d) The county agency shall continue to pay a monthly allowance of \$68 for
205.30 restaurant meals for a person who was receiving a restaurant meal allowance on June 1,
205.31 1990, and who eats two or more meals in a restaurant daily. The allowance must continue
205.32 until the person has not received Minnesota supplemental aid for one full calendar month
205.33 or until the person's living arrangement changes and the person no longer meets the criteria
205.34 for the restaurant meal allowance, whichever occurs first.

205.35 (e) A fee of ten percent of the recipient's gross income or \$25, whichever is less,
205.36 is allowed for representative payee services provided by an agency that meets the

requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f) (1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of ~~January~~ July of the ~~previous~~ each year will be added to the standards of assistance established in subdivisions 1 to 4 for ~~individuals~~ adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622, and who are shelter needy; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 17. Laws 2007, chapter 147, article 7, section 71, is amended to read:

Sec. 71. PROVIDER RATE INCREASES.

(a) The commissioner of human services shall increase allocations, reimbursement rates, or rate limits, as applicable, by 2.0 percent beginning October 1, 2007, and by 2.0 percent beginning ~~July~~ October 1, 2008, effective for services rendered on or after those dates. County contracts for services specified in this section must be amended to pass through these rate adjustments within 60 days of the effective date of the increase and must be retroactive from the effective date of the rate adjustment.

(b) The annual rate increases described in this section must be provided to:

- 207.1 (1) home and community-based waived services for persons with developmental
207.2 disabilities or related conditions, including consumer-directed community supports, under
207.3 Minnesota Statutes, section 256B.501;
- 207.4 (2) home and community-based waived services for the elderly, including
207.5 consumer-directed community supports, under Minnesota Statutes, section 256B.0915;
- 207.6 (3) waived services under community alternatives for disabled individuals,
207.7 including consumer-directed community supports, under Minnesota Statutes, section
207.8 256B.49;
- 207.9 (4) community alternative care waived services, including consumer-directed
207.10 community supports, under Minnesota Statutes, section 256B.49;
- 207.11 (5) traumatic brain injury waived services, including consumer-directed
207.12 community supports, under Minnesota Statutes, section 256B.49;
- 207.13 (6) nursing services and home health services under Minnesota Statutes, section
207.14 256B.0625, subdivision 6a;
- 207.15 (7) personal care services and qualified professional supervision of personal care
207.16 services under Minnesota Statutes, section 256B.0625, subdivision 19a;
- 207.17 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,
207.18 subdivision 7;
- 207.19 (9) day training and habilitation services for adults with developmental disabilities
207.20 or related conditions under Minnesota Statutes, sections 252.40 to 252.46, including the
207.21 additional cost of rate adjustments on day training and habilitation services, provided as a
207.22 social service under Minnesota Statutes, section 256M.60;
- 207.23 (10) alternative care services under Minnesota Statutes, section 256B.0913;
- 207.24 (11) adult residential program grants under Minnesota Statutes, section 245.73;
- 207.25 (12) children's community-based mental health services grants and adult community
207.26 support and case management services grants under Minnesota Rules, parts 9535.1700
207.27 to 9535.1760;
- 207.28 (13) the group residential housing supplementary service rate under Minnesota
207.29 Statutes, section 256I.05, subdivision 1a;
- 207.30 (14) adult mental health integrated fund grants under Minnesota Statutes, section
207.31 245.4661;
- 207.32 (15) semi-independent living services (SILS) under Minnesota Statutes, section
207.33 252.275, including SILS funding under county social services grants formerly funded
207.34 under Minnesota Statutes, chapter 256I;
- 207.35 (16) community support services for deaf and hard-of-hearing adults with mental
207.36 illness who use or wish to use sign language as their primary means of communication

208.1 under Minnesota Statutes, section 256.01, subdivision 2; and deaf and hard-of-hearing
208.2 grants under Minnesota Statutes, sections 256C.233 and 256C.25; Laws 1985, chapter 9,
208.3 article 1; and Laws 1997, First Special Session chapter 5, section 20;

208.4 (17) living skills training programs for persons with intractable epilepsy who need
208.5 assistance in the transition to independent living under Laws 1988, chapter 689;

208.6 (18) physical therapy services under sections 256B.0625, subdivision 8, and
208.7 256D.03, subdivision 4;

208.8 (19) occupational therapy services under sections 256B.0625, subdivision 8a, and
208.9 256D.03, subdivision 4;

208.10 (20) speech-language therapy services under section 256D.03, subdivision 4, and
208.11 Minnesota Rules, part 9505.0390;

208.12 (21) respiratory therapy services under section 256D.03, subdivision 4, and
208.13 Minnesota Rules, part 9505.0295;

208.14 (22) adult rehabilitative mental health services under section 256B.0623;

208.15 (23) children's therapeutic services and support services under section 256B.0943;

208.16 (24) tier I chemical health services under Minnesota Statutes, chapter 254B;

208.17 (25) consumer support grants under Minnesota Statutes, section 256.476;

208.18 (26) family support grants under Minnesota Statutes, section 252.32;

208.19 (27) grants for case management services to persons with HIV or AIDS under
208.20 Minnesota Statutes, section 256.01, subdivision 19; and

208.21 (28) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917,
208.22 and 256B.0928.

208.23 (c) For services funded through Minnesota disability health options, the rate
208.24 increases under this section apply to all medical assistance payments, including former
208.25 group residential housing supplementary rates under Minnesota Statutes, chapter 256I.

208.26 (d) The commissioner may recoup payments made under this section from a provider
208.27 that does not comply with paragraphs (f) and (g).

208.28 (e) A managed care plan receiving state payments for the services in this section
208.29 must include these increases in their payments to providers on a prospective basis,
208.30 effective on January 1 following the effective date of the rate increase.

208.31 (f) Providers that receive a rate increase under this section shall use 75 percent of
208.32 the additional revenue to increase compensation-related costs for employees directly
208.33 employed by the program on or after the effective date of the rate adjustments, except:

208.34 (1) the administrator;

208.35 (2) persons employed in the central office of a corporation or entity that has an
208.36 ownership interest in the provider or exercises control over the provider; and

209.1 (3) persons paid by the provider under a management contract.

209.2 Compensation-related costs include: wages and salaries; FICA taxes, Medicare taxes,
209.3 state and federal unemployment taxes, and workers' compensation; and the employer's
209.4 share of health and dental insurance, life insurance, disability insurance, long-term care
209.5 insurance, uniform allowance, and pensions.

209.6 (g) Two-thirds of the money available under paragraph (f) must be used for wage
209.7 increases for all employees directly employed by the provider on or after the effective
209.8 date of the rate adjustments, except those listed in paragraph (f), clauses (1) to (3). The
209.9 wage adjustment that employees receive under this paragraph must be paid as an equal
209.10 hourly percentage wage increase for all eligible employees. All wage increases under this
209.11 paragraph must be effective on the same date. This paragraph shall not apply to employees
209.12 covered by a collective bargaining agreement.

209.13 (h) For public employees, the increase for wages and benefits for certain staff is
209.14 available and pay rates must be increased only to the extent that they comply with laws
209.15 governing public employees collective bargaining. Money received by a provider for pay
209.16 increases under this section may be used only for increases implemented on or after the
209.17 first day of the rate period in which the increase is available and must not be used for
209.18 increases implemented prior to that date.

209.19 (i) The commissioner shall amend state grant contracts that include direct
209.20 personnel-related grant expenditures to include the allocation for the portion of the contract
209.21 that is employee compensation related. Grant contracts for compensation-related services
209.22 must be amended to pass through these adjustments within 60 days of the effective date of
209.23 the increase and must be retroactive to the effective date of the rate adjustment.

209.24 (j) The Board on Aging and its Area Agencies on Aging shall amend their
209.25 grants that include direct personnel-related grant expenditures to include the rate
209.26 adjustment for the portion of the grant that is employee compensation related. Grants
209.27 for compensation-related services must be amended to pass through these adjustments
209.28 within 60 days of the effective date of the increase and must be retroactive to the effective
209.29 date of the rate adjustment.

209.30 (k) The calendar year 2008 rate for vendors reimbursed under Minnesota Statutes,
209.31 chapter 254B, shall be at least 2.0 percent above the rate in effect on January 1, 2007. The
209.32 calendar year 2009 rate shall be at least 2.0 percent above the rate in effect on January
209.33 1, 2008.

209.34 (l) Providers that receive a rate adjustment under paragraph (a) that is subject to
209.35 paragraphs (f) and (g) shall provide to the commissioner, and those counties with whom
209.36 they have a contract, within six months after the effective date of each rate adjustment, a

letter, in a format specified by the commissioner, that provides assurances that the provider has developed and implemented a compensation plan and complied with paragraphs (f) and (g). The provider shall keep on file, and produce for the commissioner or county upon request, its plan, which must specify:

(1) an estimate of the amounts of money that must be used as specified in paragraphs (f) and (g); and

(2) a detailed distribution plan specifying the allowable compensation-related and wage increases the provider will implement to use the funds available in clause (1).

(m) Within six months after the effective date of each rate adjustment, the provider shall post this plan, excluding the information required in paragraph (l), clause (1), for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access and provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in paragraph (l), clause (2). Instructions must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative. Providers shall also make assurances to the commissioner and counties with whom they have a contract that they have complied with the requirement in this paragraph.

Sec. 18. **MORATORIUM EXCEPTION PROPOSAL; WAIVER.**

The commissioner of health may waive the six-mile limit in Minnesota Statutes, section 144A.073, subdivision 5, paragraph (e), when considering a moratorium exception proposal submitted under Minnesota Statutes, section 144A.073, to allow a nursing facility providing specialty care in Minneapolis to close and relocate beds to a new facility in Robbinsdale under common ownership.

ARTICLE 16
CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2007 Supplement, section 256.741, subdivision 1, is amended to read:

Subdivision 1. ~~Public assistance~~ **Definitions.** (a) The term "direct support" as used in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor which is paid directly to a recipient of ~~TANF or MFIP~~ **public assistance.**

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C, includes any form of assistance provided under the AFDC program formerly

211.1 codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter
211.2 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K;
211.3 child care assistance provided through the child care fund under chapter 119B; any form
211.4 of medical assistance under chapter 256B; MinnesotaCare under chapter 256L; and foster
211.5 care as provided under title IV-E of the Social Security Act.

211.6 (c) The term "child support agency" as used in this section refers to the public
211.7 authority responsible for child support enforcement.

211.8 (d) The term "public assistance agency" as used in this section refers to a public
211.9 authority providing public assistance to an individual.

211.10 (e) The terms "child support" and "arrear" as used in this section have the meanings
211.11 provided in section 518A.26.

211.12 (f) The term "maintenance" as used in this section has the meaning provided in
211.13 section 518.003.

211.14 Sec. 2. Minnesota Statutes 2006, section 256.741, subdivision 2, is amended to read:

211.15 Subd. 2. **Assignment of support and maintenance rights.** (a) An individual
211.16 receiving public assistance in the form of assistance under any of the following programs:
211.17 the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter
211.18 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program
211.19 formerly codified under chapter 256K is considered to have assigned to the state at the
211.20 time of application all rights to child support and maintenance from any other person the
211.21 applicant or recipient may have in the individual's own behalf or in the behalf of any other
211.22 family member for whom application for public assistance is made. An assistance unit is
211.23 ineligible for the Minnesota family investment program unless the caregiver assigns all
211.24 rights to child support and ~~spousal~~ maintenance benefits according to this section.

211.25 (1) ~~An~~ The assignment made according to this section is effective as to:

211.26 ~~(i) any current child support and current spousal maintenance; and~~

211.27 ~~(ii) any accrued child support and spousal maintenance arrears.~~

211.28 ~~(2) An assignment made after September 30, 1997, is effective as to:~~

211.29 ~~(i) any current child support and current spousal maintenance;~~

211.30 ~~(ii) any accrued child support and spousal maintenance arrears collected before~~

211.31 ~~October 1, 2000, or the date the individual terminates assistance, whichever is later; and~~

211.32 ~~(iii) any accrued child support and spousal maintenance arrears collected under~~

211.33 ~~federal tax intercept.~~

212.1 (2) Any child support or maintenance arrears that accrue while an individual is
212.2 receiving public assistance in the form of assistance under any of the programs listed in
212.3 this paragraph are permanently assigned to the state.

212.4 (3) The assignment of current child support and current maintenance ends on the
212.5 date the individual ceases to receive or is no longer eligible to receive public assistance
212.6 under any of the programs listed in this paragraph.

212.7 (b) An individual receiving public assistance in the form of medical assistance,
212.8 including MinnesotaCare, is considered to have assigned to the state at the time of
212.9 application all rights to medical support from any other person the individual may have
212.10 in the individual's own behalf or in the behalf of any other family member for whom
212.11 medical assistance is provided.

212.12 (1) An assignment made after September 30, 1997, is effective as to any medical
212.13 support accruing after the date of medical assistance or MinnesotaCare eligibility.

212.14 (2) Any medical support arrears that accrue while an individual is receiving public
212.15 assistance in the form of medical assistance, including MinnesotaCare, are permanently
212.16 assigned to the state.

212.17 (3) The assignment of current medical support ends on the date the individual ceases
212.18 to receive or is no longer eligible to receive public assistance in the form of medical
212.19 assistance or MinnesotaCare.

212.20 (c) An individual receiving public assistance in the form of child care assistance
212.21 under the child care fund pursuant to chapter 119B is considered to have assigned to the
212.22 state at the time of application all rights to child care support from any other person the
212.23 individual may have in the individual's own behalf or in the behalf of any other family
212.24 member for whom child care assistance is provided.

212.25 ~~An (1) The assignment made according to this paragraph is effective as to:~~

212.26 ~~(1) any current child care support and any child care support arrears assigned and~~
212.27 ~~accruing after July 1, 1997, that are collected before October 1, 2000; and.~~

212.28 ~~(2) any accrued child care support arrears collected under federal tax intercept.~~ Any
212.29 child care support arrears that accrue while an individual is receiving public assistance in
212.30 the form of child care assistance under the child care fund in chapter 119B are permanently
212.31 assigned to the state.

212.32 (3) The assignment of current child care support ends on the date the individual
212.33 ceases to receive or is no longer eligible to receive public assistance in the form of child
212.34 care assistance under the child care fund under chapter 119B.

212.35 Sec. 3. Minnesota Statutes 2006, section 256.741, subdivision 2a, is amended to read:

213.1 Subd. 2a. ~~Families-first~~ **Distribution of child support arrearages.** (a) The
213.2 state shall distribute current child support and maintenance received by the state to an
213.3 individual who assigns the right to that support under subdivision 2, paragraph (a).

213.4 (b) When the public authority collects child support arrearages on behalf of an
213.5 individual who is receiving public assistance ~~provided under MFIP or MFIP-R under~~
213.6 ~~this chapter, MFIP under chapter 256J, or work first under chapter 256K, and the public~~
213.7 ~~authority has the option of applying the collection to arrears permanently assigned to the~~
213.8 ~~state or to arrears temporarily assigned to the state,~~ the public authority shall first apply the
213.9 collection to satisfy those arrears that are permanently assigned to the state.

213.10 (c) When the public authority collects child support arrearages on behalf of an
213.11 individual who is not receiving public assistance, the public authority shall first apply the
213.12 collection to satisfy those arrears that are not permanently assigned to the state.

213.13 (d) When the public authority collects child support arrearages certified under the
213.14 federal tax offset, the public authority shall first apply the collection to satisfy those arrears
213.15 that are permanently assigned to the state.

213.16 Sec. 4. Minnesota Statutes 2006, section 256.741, subdivision 3, is amended to read:

213.17 Subd. 3. **Existing assignments.** Assignments based on the receipt of public
213.18 assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears
213.19 that accrued prior to the receipt of assistance that were assigned to the state between July
213.20 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

213.21 **EFFECTIVE DATE.** This section is effective October 1, 2009.

213.22 Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.621, is amended to read:

213.23 **256J.621 WORK PARTICIPATION ~~BONUS~~ CASH BENEFITS.**

213.24 (a) Effective October 1, 2009, upon exiting the diversionary work program (DWP)
213.25 or upon terminating ~~MFIP cash assistance~~ the Minnesota family investment program with
213.26 earnings, a participant who is employed may be eligible for ~~transitional assistance~~ work
213.27 participation cash benefits of \$75 per month to assist in meeting the family's basic needs
213.28 as the participant continues to move toward self-sufficiency.

213.29 (b) To be eligible for ~~a transitional assistance payment~~ work participation cash
213.30 benefits, the participant shall not receive MFIP ~~cash assistance~~ or diversionary work
213.31 program assistance during the month and the participant or participants must meet the
213.32 following work requirements:

214.1 (1) if the participant is a single caregiver and has a child under six years of age, the
214.2 participant must be employed at least 87 hours per month;

214.3 (2) if the participant is a single caregiver and does not have a child under six years of
214.4 age, the participant must be employed at least 130 hours per month; or

214.5 (3) if the household is a two-parent family, at least one of the parents must be
214.6 employed an average of at least 130 hours per month.

214.7 Whenever a participant exits the diversionary work program or is terminated from
214.8 MFIP ~~cash assistance~~ and meets the other criteria in this section, ~~transitional assistance is~~
214.9 work participation cash benefits are available for up to 24 consecutive months.

214.10 (c) Expenditures on the program are maintenance of effort state funds for participants
214.11 under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph
214.12 (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives
214.13 ~~transitional assistance~~ work participation cash benefits under this section do not count
214.14 toward the participant's MFIP 60-month time limit.

214.15 Sec. 6. Minnesota Statutes 2006, section 518A.50, is amended to read:

214.16 **518A.50 PAYMENT TO PUBLIC AGENCY.**

214.17 (a) This section applies to all proceedings involving a support order, including, but
214.18 not limited to, a support order establishing an order for past support or reimbursement
214.19 of public assistance.

214.20 (b) The court shall direct that all payments ordered for maintenance or support
214.21 be made to the public authority responsible for child support enforcement so long as
214.22 the obligee is receiving or has applied for public assistance, or has applied for child
214.23 support or maintenance collection services. Public authorities responsible for child
214.24 support enforcement may act on behalf of other public authorities responsible for child
214.25 support enforcement, including the authority to represent the legal interests of or execute
214.26 documents on behalf of the other public authority in connection with the establishment,
214.27 enforcement, and collection of child support, maintenance, or medical support, and
214.28 collection on judgments.

214.29 (c) Payments made to the public authority ~~other than payments under section~~
214.30 ~~518A.53~~ must be credited as of the date the payment is received by the central collections
214.31 unit, except that payments made under section 518A.53 may be considered to have been
214.32 paid as of the date the obligor received the remainder of the income.

214.33 (d) Monthly amounts received by the public agency responsible for child support
214.34 enforcement from the obligor that are greater than the monthly amount of public assistance
214.35 granted to the obligee must be remitted to the obligee.

215.1 **EFFECTIVE DATE.** This section is effective October 1, 2009.

215.2 Sec. 7. Minnesota Statutes 2006, section 518A.53, subdivision 5, is amended to read:

215.3 Subd. 5. **Payor of funds responsibilities.** (a) An order for or notice of withholding
215.4 is binding on a payor of funds upon receipt. Withholding must begin no later than the first
215.5 pay period that occurs after 14 days following the date of receipt of the order for or notice
215.6 of withholding. In the case of a financial institution, preauthorized transfers must occur in
215.7 accordance with a court-ordered payment schedule.

215.8 (b) A payor of funds shall withhold from the income payable to the obligor the
215.9 amount specified in the order or notice of withholding and amounts specified under
215.10 subdivisions 6 and 9 and shall remit the amounts withheld to the public authority within
215.11 seven business days of the date the obligor is paid the remainder of the income. The payor
215.12 of funds shall include with the remittance the Social Security number of the obligor, the
215.13 case type indicator as provided by the public authority and the date the obligor is paid
215.14 the remainder of the income. ~~The obligor is considered to have paid the amount withheld~~
215.15 ~~as of the date the obligor received the remainder of the income.~~ A payor of funds may
215.16 combine all amounts withheld from one pay period into one payment to each public
215.17 authority, but shall separately identify each obligor making payment.

215.18 (c) A payor of funds shall not discharge, or refuse to hire, or otherwise discipline an
215.19 employee as a result of wage or salary withholding authorized by this section. A payor of
215.20 funds shall be liable to the obligee for any amounts required to be withheld. A payor of
215.21 funds that fails to withhold or transfer funds in accordance with this section is also liable
215.22 to the obligee for interest on the funds at the rate applicable to judgments under section
215.23 549.09, computed from the date the funds were required to be withheld or transferred.
215.24 A payor of funds is liable for reasonable attorney fees of the obligee or public authority
215.25 incurred in enforcing the liability under this paragraph. A payor of funds that has failed
215.26 to comply with the requirements of this section is subject to contempt sanctions under
215.27 section 518A.73. If the payor of funds is an employer or independent contractor and
215.28 violates this subdivision, a court may award the obligor twice the wages lost as a result
215.29 of this violation. If a court finds a payor of funds violated this subdivision, the court
215.30 shall impose a civil fine of not less than \$500. The liabilities in this paragraph apply to
215.31 intentional noncompliance with this section.

215.32 (d) If a single employee is subject to multiple withholding orders or multiple notices
215.33 of withholding for the support of more than one child, the payor of funds shall comply
215.34 with all of the orders or notices to the extent that the total amount withheld from the
215.35 obligor's income does not exceed the limits imposed under the Consumer Credit Protection

Act, United States Code, title 15, section 1673(b), giving priority to amounts designated in each order or notice as current support as follows:

(1) if the total of the amounts designated in the orders for or notices of withholding as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order or notice an amount for current support equal to the amount designated in that order or notice as current support, divided by the total of the amounts designated in the orders or notices as current support, multiplied by the amount of the income available for income withholding; and

(2) if the total of the amounts designated in the orders for or notices of withholding as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order or notice an amount for past due support, equal to the amount designated in that order or notice as past due support, divided by the total of the amounts designated in the orders or notices as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

(e) When an order for or notice of withholding is in effect and the obligor's employment is terminated, the obligor and the payor of funds shall notify the public authority of the termination within ten days of the termination date. The termination notice shall include the obligor's home address and the name and address of the obligor's new payor of funds, if known.

(f) A payor of funds may deduct one dollar from the obligor's remaining salary for each payment made pursuant to an order for or notice of withholding under this section to cover the expenses of withholding.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 8. REPEALER.

Minnesota Statutes 2006, section 256.741, subdivision 15, is repealed.

ARTICLE 17
HEALTH CARE

Section 1. [62U.10] HEALTH CARE TRANSFER, SAVINGS, AND REPAYMENT.

Subdivision 1. **Health Care Access Fund Transfer.** On June 30, 2009, the commissioner of finance shall transfer \$50,000,000 from the health care access fund to the general fund.

217.1 Subd. 2. **Projected spending baseline.** (a) By June 1, 2009, the commissioner of
217.2 health shall calculate the annual projected total private and public health care spending for
217.3 residents of this state and establish a health care spending baseline, beginning for calendar
217.4 year 2008 and for the next ten years based on the annual projected growth in spending.

217.5 (b) In establishing the health care spending baseline, the commissioner shall use the
217.6 Centers for Medicare and Medicaid Services forecast for total growth in national health
217.7 care expenditures and adjust this forecast to reflect the demographics, health status, and
217.8 other factors deemed necessary by the commissioner. The commissioner shall contract
217.9 with an actuarial consultant to make recommendations for the adjustments needed to
217.10 specifically reflect projected spending for residents of this state.

217.11 (c) The commissioner may adjust the projected baseline as necessary to reflect any
217.12 updated federal projections or account for unanticipated changes in federal policy.

217.13 (d) Medicare and long-term care spending must not be included in the calculations
217.14 required under this section.

217.15 Subd. 3. **Actual spending and savings determination.** By June 1, 2010, and each
217.16 June 1 thereafter until June 1, 2020, the commissioner of health shall determine the actual
217.17 total private and public health care spending for residents of this state for the calendar
217.18 year two years before the current calendar year, based on data collected under chapter 62J,
217.19 and shall determine the difference between the projected spending, as determined under
217.20 subdivision 2, and the actual spending for that year. The actual spending must be certified
217.21 by an independent actuarial consultant. If the actual spending is less than the projected
217.22 spending, the commissioner shall determine, based on the proportion of spending for
217.23 state-administered health care programs to total private and public health care spending
217.24 for the calendar year two years before the current calendar year, the percentage of the
217.25 calculated aggregate savings amount accruing to state-administered health care programs.

217.26 Subd. 4. **Repayment of transfer.** When accumulated savings accruing to
217.27 state-administered health care programs, as calculated under subdivision 3, meet or exceed
217.28 \$50,000,000, the commissioner of health shall certify that event to the commissioner of
217.29 finance. In the next fiscal year following the certification, the commissioner of finance
217.30 shall transfer \$50,000,000 from the general fund to the health care access fund. The
217.31 amount necessary to make the transfer is appropriated from the general fund to the
217.32 commissioner of finance.

217.33 Subd. 5. **Definitions.** (a) For purposes of this section, the following definitions
217.34 apply.

217.35 (b) "Public health care spending" means spending for a state-administered health
217.36 care program.

218.1 (c) "State-administered health care program" means medical assistance,
218.2 MinnesotaCare, general assistance medical care, and the state employee group insurance
218.3 program.

218.4 Sec. 2. **[144.058] INTERPRETER SERVICES QUALITY INITIATIVE.**

218.5 (a) The commissioner of health shall establish a voluntary statewide roster, and
218.6 develop a plan for a registry and certification process for interpreters who provide
218.7 high quality, spoken language health care interpreter services. The roster, registry, and
218.8 certification process shall be based on the findings and recommendations set forth by
218.9 the Interpreter Services Work Group required under Laws 2007, chapter 147, article
218.10 12, section 13.

218.11 (b) By January 1, 2009, the commissioner shall establish a roster of all available
218.12 interpreters to address access concerns, particularly in rural areas.

218.13 (c) By January 15, 2010, the commissioner shall:

218.14 (1) develop a plan for a registry of spoken language health care interpreters,
218.15 including:

218.16 (i) development of standards for registration that set forth educational requirements,
218.17 training requirements, demonstration of language proficiency and interpreting skills,
218.18 agreement to abide by a code of ethics, and a criminal background check;

218.19 (ii) recommendations for appropriate alternate requirements in languages for which
218.20 testing and training programs do not exist;

218.21 (iii) recommendations for appropriate fees; and

218.22 (iv) recommendations for establishing and maintaining the standards for inclusion
218.23 in the registry; and

218.24 (2) develop a plan for implementing a certification process based on national
218.25 testing and certification processes for spoken language interpreters 12 months after the
218.26 establishment of a national certification process.

218.27 (d) The commissioner shall consult with the Interpreter Stakeholder Group of the
218.28 Upper Midwest Translators and Interpreters Association for advice on the standards
218.29 required to plan for the development of a registry and certification process.

218.30 (e) The commissioner shall charge an annual fee of \$50 to include an interpreter in
218.31 the roster. Fee revenue shall be deposited in the state government special revenue fund.

218.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

218.33 Sec. 3. Minnesota Statutes 2007 Supplement, section 144E.45, subdivision 2, is
218.34 amended to read:

Subd. 2. **Potential allocations.** (a) On November 1, annually, the board or the board's designee under section 144E.40, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's general fund appropriation, plus any transfer from the Cooper/Sams volunteer ambulance account under section 144E.42, subdivision 2, and after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the Cooper/Sams volunteer ambulance trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the State Board of Investment. The market value gain or loss must be expressed as a percentage of the total potential award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. If the allocation is based on the 1,000 years of service, any allocation not made for a qualified ambulance service person must be credited to the Cooper/Sams volunteer ambulance account under section 144E.42, subdivision 2. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 1 to the board in an affidavit from the chief administrative officer of the ambulance service.

(d) Effective July 1, 2008, notwithstanding paragraphs (a) to (c), the value of each service credit shall be \$447.19.

Sec. 4. Minnesota Statutes 2006, section 145.9255, subdivision 1, is amended to read:

220.1 Subdivision 1. **Establishment.** To the extent funds are available for the purposes
220.2 of this subdivision, the commissioner of health, in consultation with a representative
220.3 from Minnesota planning, the commissioner of human services, and the commissioner
220.4 of education, shall develop and implement the Minnesota education now and babies
220.5 later (MN ENABL) program, targeted to adolescents ages 12 to 14, with the goal of
220.6 reducing the incidence of adolescent pregnancy in the state and promoting abstinence until
220.7 marriage. The program must provide a multifaceted, primary prevention, community
220.8 health promotion approach to educating and supporting adolescents in the decision to
220.9 postpone sexual involvement modeled after the ENABL program in California. The
220.10 commissioner of health shall consult with the chief of the health education section of
220.11 the California Department of Health Services for general guidance in developing and
220.12 implementing the program.

220.13 Sec. 5. Minnesota Statutes 2006, section 256.969, subdivision 2b, is amended to read:

220.14 Subd. 2b. **Operating payment rates.** In determining operating payment rates for
220.15 admissions occurring on or after the rate year beginning January 1, 1991, and every two
220.16 years after, or more frequently as determined by the commissioner, the commissioner
220.17 shall obtain operating data from an updated base year and establish operating payment
220.18 rates per admission for each hospital based on the cost-finding methods and allowable
220.19 costs of the Medicare program in effect during the base year. Rates under the general
220.20 assistance medical care, medical assistance, and MinnesotaCare programs shall not be
220.21 rebased to more current data on January 1, 1997, ~~and~~ January 1, 2005, and for the first
220.22 24 months of the rebased period beginning January 1, 2009. The base year operating
220.23 payment rate per admission is standardized by the case mix index and adjusted by the
220.24 hospital cost index, relative values, and disproportionate population adjustment. The
220.25 cost and charge data used to establish operating rates shall only reflect inpatient services
220.26 covered by medical assistance and shall not include property cost information and costs
220.27 recognized in outlier payments.

220.28 Sec. 6. Minnesota Statutes 2006, section 256.969, subdivision 3a, is amended to read:

220.29 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical
220.30 assistance program must not be submitted until the recipient is discharged. However,
220.31 the commissioner shall establish monthly interim payments for inpatient hospitals that
220.32 have individual patient lengths of stay over 30 days regardless of diagnostic category.
220.33 Except as provided in section 256.9693, medical assistance reimbursement for treatment
220.34 of mental illness shall be reimbursed based on diagnostic classifications. Individual

221.1 hospital payments established under this section and sections 256.9685, 256.9686, and
221.2 256.9695, in addition to third party and recipient liability, for discharges occurring during
221.3 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered
221.4 inpatient services paid for the same period of time to the hospital. This payment limitation
221.5 shall be calculated separately for medical assistance and general assistance medical
221.6 care services. The limitation on general assistance medical care shall be effective for
221.7 admissions occurring on or after July 1, 1991. Services that have rates established under
221.8 subdivision 11 or 12, must be limited separately from other services. After consulting with
221.9 the affected hospitals, the commissioner may consider related hospitals one entity and
221.10 may merge the payment rates while maintaining separate provider numbers. The operating
221.11 and property base rates per admission or per day shall be derived from the best Medicare
221.12 and claims data available when rates are established. The commissioner shall determine
221.13 the best Medicare and claims data, taking into consideration variables of recency of the
221.14 data, audit disposition, settlement status, and the ability to set rates in a timely manner.
221.15 The commissioner shall notify hospitals of payment rates by December 1 of the year
221.16 preceding the rate year. The rate setting data must reflect the admissions data used to
221.17 establish relative values. Base year changes from 1981 to the base year established for the
221.18 rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited
221.19 to the limits ending June 30, 1987, on the maximum rate of increase under subdivision
221.20 1. The commissioner may adjust base year cost, relative value, and case mix index data
221.21 to exclude the costs of services that have been discontinued by the October 1 of the year
221.22 preceding the rate year or that are paid separately from inpatient services. Inpatient stays
221.23 that encompass portions of two or more rate years shall have payments established based
221.24 on payment rates in effect at the time of admission unless the date of admission preceded
221.25 the rate year in effect by six months or more. In this case, operating payment rates for
221.26 services rendered during the rate year in effect and established based on the date of
221.27 admission shall be adjusted to the rate year in effect by the hospital cost index.

221.28 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total
221.29 payment, before third-party liability and spenddown, made to hospitals for inpatient
221.30 services is reduced by .5 percent from the current statutory rates.

221.31 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service
221.32 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services
221.33 before third-party liability and spenddown, is reduced five percent from the current
221.34 statutory rates. Mental health services within diagnosis related groups 424 to 432, and
221.35 facilities defined under subdivision 16 are excluded from this paragraph.

222.1 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for
222.2 fee-for-service admissions occurring on or after July 1, 2005, made to hospitals for
222.3 inpatient services before third-party liability and spenddown, is reduced 6.0 percent
222.4 from the current statutory rates. Mental health services within diagnosis related groups
222.5 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
222.6 Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical
222.7 assistance does not include general assistance medical care. Payments made to managed
222.8 care plans shall be reduced for services provided on or after January 1, 2006, to reflect
222.9 this reduction.

222.10 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
222.11 fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made
222.12 to hospitals for inpatient services before third-party liability and spenddown, is reduced
222.13 3.46 percent from the current statutory rates. Mental health services with diagnosis related
222.14 groups 424 to 432 and facilities defined under subdivision 16 are excluded from this
222.15 paragraph. Payments made to managed care plans shall be reduced for services provided
222.16 on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

222.17 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
222.18 fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2010, made
222.19 to hospitals for inpatient services before third-party liability and spenddown, is reduced
222.20 1.9 percent from the current statutory rates. Mental health services with diagnosis related
222.21 groups 424 to 432 and facilities defined under subdivision 16 are excluded from this
222.22 paragraph. Payments made to managed care plans shall be reduced for services provided
222.23 on or after July 1, 2009, through June 30, 2010, to reflect this reduction.

222.24 (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment
222.25 for fee-for-service admissions occurring on or after July 1, 2010, made to hospitals for
222.26 inpatient services before third-party liability and spenddown, is reduced 1.79 percent
222.27 from the current statutory rates. Mental health services with diagnosis related groups
222.28 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
222.29 Payments made to managed care plans shall be reduced for services provided on or after
222.30 July 1, 2010, to reflect this reduction.

222.31 Sec. 7. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

222.32 Subd. 8. **Program established.** (a) The commissioner, in cooperation with the
222.33 commissioner of commerce, shall establish the Minnesota partnership for long-term care
222.34 program to provide for the financing of long-term care through a combination of private
222.35 insurance and medical assistance.

223.1 (b) An individual who meets the requirements in this paragraph is eligible to
223.2 participate in the partnership program. The individual must:

223.3 (1) be a Minnesota resident at the time coverage first became effective under the
223.4 partnership policy; and

223.5 (2) be a beneficiary of a partnership policy that (i) is issued on or after the effective
223.6 date of the state plan amendment implementing the partnership program in Minnesota, or
223.7 (ii) qualifies as a partnership policy under the provisions of subdivision 8a; and

223.8 ~~(3) have exhausted all of the benefits under the partnership policy as described in this~~
223.9 ~~section. Benefits received under a long-term care insurance policy before July 1, 2006, do~~
223.10 ~~not count toward the exhaustion of benefits required in this subdivision.~~

223.11 Sec. 8. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

223.12 Subd. 9. **Medical assistance eligibility.** (a) Upon application for medical assistance
223.13 program payment of long-term care services by an individual who meets the requirements
223.14 described in subdivision 8, the commissioner shall determine the individual's eligibility
223.15 for medical assistance according to paragraphs (b) to (i).

223.16 (b) After determining assets subject to the asset limit under section 256B.056,
223.17 subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the
223.18 individual to designate assets to be protected from recovery under subdivisions 13 and
223.19 15 up to the dollar amount of the benefits utilized under the partnership policy as of the
223.20 effective date of eligibility for medical assistance program payment of long-term care
223.21 services. Benefits utilized under a long-term care insurance policy before July 1, 2006,
223.22 do not count for the purpose of determining the amount of assets that can be designated.
223.23 Designated assets shall be disregarded for purposes of determining eligibility for payment
223.24 of long-term care services. The dollar amount of benefits utilized must be equal to the
223.25 amount of claims paid by the issuer under the policy as verified by the issuer.

223.26 (c) The individual shall identify the designated assets and the full fair market value
223.27 of those assets and designate them as assets to be protected at the time of ~~initial~~ application
223.28 for medical assistance payment of long-term care services. The full fair market value of
223.29 real property or interests in real property shall be based on the most recent full assessed
223.30 value for property tax purposes for the real property, unless the individual provides a
223.31 complete professional appraisal by a licensed appraiser to establish the full fair market
223.32 value. The extent of a life estate in real property shall be determined using the life estate
223.33 table in the health care program's manual. Ownership of any asset in joint tenancy shall be
223.34 treated as ownership as tenants in common for purposes of its designation as a disregarded

224.1 asset. The unprotected value of any protected asset is subject to estate recovery according
224.2 to subdivisions 13 and 15.

224.3 (d) The right to designate assets to be protected is personal to the individual and
224.4 ends when the individual dies, except as otherwise provided in subdivisions 13 and
224.5 15. It does not include the increase in the value of the protected asset and the income,
224.6 dividends, or profits from the asset. It may be exercised by the individual or by anyone
224.7 with the legal authority to do so on the individual's behalf. It shall not be sold, assigned,
224.8 transferred, or given away.

224.9 (e) ~~If the dollar amount of the benefits utilized under a partnership policy is greater~~
224.10 ~~than the full fair market value of all assets protected at the time of the application for~~
224.11 ~~medical assistance long-term care services, As the individual continues to utilize benefits~~
224.12 ~~under a partnership policy after eligibility for medical assistance payment of long-term~~
224.13 ~~care services begins, the individual may designate, for additional protection, an increase~~
224.14 ~~in the value of protected assets and additional assets that become available during the~~
224.15 ~~individual's lifetime for protection under this section up to the amount of additional~~
224.16 ~~benefits utilized.~~ The individual must make the designation in writing to the county agency
224.17 no later than the last date on which the individual must report a change in circumstances to
224.18 the county agency, as provided for under the medical assistance program. ~~Any excess used~~
224.19 ~~for this purpose shall not be available to the individual's estate to protect assets in the estate~~
224.20 ~~from recovery under section 256B.15 or 524.3-1202, or otherwise.~~ The amount used for
224.21 this purpose must reduce the unused amount of asset protection available to protect assets
224.22 in the individual's estate from recovery under section 256B.15 or 524.3-1202, or otherwise.

224.23 (f) This section applies only to estate recovery under United States Code, title 42,
224.24 section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other
224.25 provisions of federal law, including, but not limited to, recovery from trusts under United
224.26 States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from
224.27 annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of
224.28 the Deficit Reduction Act of 2005, Public Law 109-171.

224.29 (g) An individual's protected assets owned by the individual's spouse who applies
224.30 for payment of medical assistance long-term care services shall not be protected assets or
224.31 disregarded for purposes of eligibility of the individual's spouse solely because they were
224.32 protected assets of the individual.

224.33 (h) Assets designated under this subdivision shall not be subject to penalty under
224.34 section 256B.0595.

225.1 (i) The commissioner shall otherwise determine the individual's eligibility
225.2 for payment of long-term care services according to medical assistance eligibility
225.3 requirements.

225.4 Sec. 9. Minnesota Statutes 2006, section 256B.0625, subdivision 13e, is amended to
225.5 read:

225.6 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment
225.7 shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee;
225.8 the maximum allowable cost set by the federal government or by the commissioner plus
225.9 the fixed dispensing fee; or the usual and customary price charged to the public. The
225.10 amount of payment basis must be reduced to reflect all discount amounts applied to the
225.11 charge by any provider/insurer agreement or contract for submitted charges to medical
225.12 assistance programs. The net submitted charge may not be greater than the patient liability
225.13 for the service. The pharmacy dispensing fee shall be \$3.65, except that the dispensing fee
225.14 for intravenous solutions which must be compounded by the pharmacist shall be \$8 per
225.15 bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral
225.16 nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral
225.17 nutritional products dispensed in quantities greater than one liter. Actual acquisition
225.18 cost includes quantity and other special discounts except time and cash discounts.
225.19 Effective July 1, 2008, the actual acquisition cost of a drug shall be estimated by the
225.20 commissioner, at average wholesale price minus ~~12~~ 14 percent. The actual acquisition
225.21 cost of antihemophilic factor drugs shall be estimated at the average wholesale price
225.22 minus 30 percent. The maximum allowable cost of a multisource drug may be set by the
225.23 commissioner and it shall be comparable to, but no higher than, the maximum amount
225.24 paid by other third-party payors in this state who have maximum allowable cost programs.
225.25 Establishment of the amount of payment for drugs shall not be subject to the requirements
225.26 of the Administrative Procedure Act.

225.27 (b) An additional dispensing fee of \$.30 may be added to the dispensing fee paid
225.28 to pharmacists for legend drug prescriptions dispensed to residents of long-term care
225.29 facilities when a unit dose blister card system, approved by the department, is used. Under
225.30 this type of dispensing system, the pharmacist must dispense a 30-day supply of drug.
225.31 The National Drug Code (NDC) from the drug container used to fill the blister card must
225.32 be identified on the claim to the department. The unit dose blister card containing the
225.33 drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700,
225.34 that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider
225.35 will be required to credit the department for the actual acquisition cost of all unused

226.1 drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the
226.2 manufacturer's unopened package. The commissioner may permit the drug clozapine to be
226.3 dispensed in a quantity that is less than a 30-day supply.

226.4 (c) Whenever a generically equivalent product is available, payment shall be on the
226.5 basis of the actual acquisition cost of the generic drug, or on the maximum allowable cost
226.6 established by the commissioner.

226.7 (d) The basis for determining the amount of payment for drugs administered in an
226.8 outpatient setting shall be the lower of the usual and customary cost submitted by the
226.9 provider or the amount established for Medicare by the United States Department of
226.10 Health and Human Services pursuant to title XVIII, section 1847a of the federal Social
226.11 Security Act.

226.12 (e) The commissioner may negotiate lower reimbursement rates for specialty
226.13 pharmacy products than the rates specified in paragraph (a). The commissioner may
226.14 require individuals enrolled in the health care programs administered by the department
226.15 to obtain specialty pharmacy products from providers with whom the commissioner has
226.16 negotiated lower reimbursement rates. Specialty pharmacy products are defined as those
226.17 used by a small number of recipients or recipients with complex and chronic diseases
226.18 that require expensive and challenging drug regimens. Examples of these conditions
226.19 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis
226.20 C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms
226.21 of cancer. Specialty pharmaceutical products include injectable and infusion therapies,
226.22 biotechnology drugs, high-cost therapies, and therapies that require complex care. The
226.23 commissioner shall consult with the formulary committee to develop a list of specialty
226.24 pharmacy products subject to this paragraph. In consulting with the formulary committee
226.25 in developing this list, the commissioner shall take into consideration the population
226.26 served by specialty pharmacy products, the current delivery system and standard of care in
226.27 the state, and access to care issues. The commissioner shall have the discretion to adjust
226.28 the reimbursement rate to prevent access to care issues.

226.29 **EFFECTIVE DATE.** This section is effective July 1, 2008.

226.30 Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 1,
226.31 is amended to read:

226.32 Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical
226.33 assistance benefit plan shall include the following co-payments for all recipients, effective
226.34 for services provided on or after October 1, 2003, and before January 1, 2009:

- 227.1 (1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an
227.2 episode of service which is required because of a recipient's symptoms, diagnosis, or
227.3 established illness, and which is delivered in an ambulatory setting by a physician or
227.4 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
227.5 audiologist, optician, or optometrist;
- 227.6 (2) \$3 for eyeglasses;
- 227.7 (3) \$6 for nonemergency visits to a hospital-based emergency room; and
- 227.8 (4) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
227.9 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments
227.10 shall apply to antipsychotic drugs when used for the treatment of mental illness.
- 227.11 (b) Except as provided in subdivision 2, the medical assistance benefit plan shall
227.12 include the following co-payments for all recipients, effective for services provided on
227.13 or after January 1, 2009:
- 227.14 (1) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~
- 227.15 (2) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
227.16 subject to a \$7 per month maximum for prescription drug co-payments. No co-payments
227.17 shall apply to antipsychotic drugs when used for the treatment of mental illness; and
- 227.18 (3) for individuals identified by the commissioner with income at or below 100
227.19 percent of the federal poverty guidelines, total monthly co-payments must not exceed five
227.20 percent of family income. For purposes of this paragraph, family income is the total
227.21 earned and unearned income of the individual and the individual's spouse, if the spouse is
227.22 enrolled in medical assistance and also subject to the five percent limit on co-payments.
- 227.23 (c) Recipients of medical assistance are responsible for all co-payments in this
227.24 subdivision.

227.25 Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 3,
227.26 is amended to read:

227.27 Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall
227.28 be reduced by the amount of the co-payment, except that ~~reimbursement for prescription~~
227.29 ~~drugs reimbursements~~ shall not be reduced:

- 227.30 (1) once a recipient has reached the \$12 per month maximum or the \$7 per month
227.31 maximum effective January 1, 2009, for prescription drug co-payments; or
- 227.32 (2) for a recipient identified by the commissioner under 100 percent of the federal
227.33 poverty guidelines who has met their monthly five percent co-payment limit.

227.34 (b) The provider collects the co-payment from the recipient. Providers may not deny
227.35 services to recipients who are unable to pay the co-payment.

228.1 (c) Medical assistance reimbursement to fee-for-service providers and payments to
228.2 managed care plans shall not be increased as a result of the removal of the co-payments
228.3 effective January 1, 2009.

228.4 Sec. 12. **[256B.194] FEDERAL PAYMENTS.**

228.5 The commissioner may require medical assistance and MinnesotaCare providers to
228.6 provide any information necessary to determine Medicaid-related costs, and require the
228.7 cooperation of providers in any audit or review necessary to ensure payments are limited
228.8 to cost. This section does not apply to providers who are exempt from the provisions of the
228.9 CMS final rule, published May 29, 2007, at Federal Register, Vol. 72, No. 100, governing
228.10 payments to providers that are units of government. This section becomes effective when
228.11 the CMS final rule goes into effect at the end of the moratorium imposed by Congress.

228.12 Sec. 13. Minnesota Statutes 2006, section 256B.32, subdivision 1, is amended to read:

228.13 Subdivision 1. **Facility fee for hospital emergency room and clinic visit.** (a) The
228.14 commissioner shall establish a facility fee payment mechanism that will pay a facility fee
228.15 to all enrolled outpatient hospitals for each emergency room or outpatient clinic visit
228.16 provided on or after July 1, 1989. This payment mechanism may not result in an overall
228.17 increase in outpatient payment rates. This section does not apply to federally mandated
228.18 maximum payment limits, department-approved program packages, or services billed
228.19 using a nonoutpatient hospital provider number.

228.20 (b) For fee-for-service services provided on or after July 1, 2002, the total payment,
228.21 before third-party liability and spenddown, made to hospitals for outpatient hospital
228.22 facility services is reduced by .5 percent from the current statutory rates.

228.23 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service
228.24 services provided on or after July 1, 2003, made to hospitals for outpatient hospital
228.25 facility services before third-party liability and spenddown, is reduced five percent from
228.26 the current statutory rates. Facilities defined under section 256.969, subdivision 16, are
228.27 excluded from this paragraph.

228.28 (d) In addition to the reductions in paragraphs (b) and (c), the total payment for
228.29 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
228.30 hospital facility services before third-party liability and spenddown, is reduced three
228.31 percent from the current statutory rates. Mental health services and facilities defined under
228.32 section 256.969, subdivision 16, are excluded from this paragraph.

228.33 Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold three percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph. The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

Sec. 15. Minnesota Statutes 2006, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

230.1 (a) For outpatient hospital facility fee payments for services rendered on or after
230.2 October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted
230.3 charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those
230.4 services for which there is a federal maximum allowable payment. Effective for services
230.5 rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital
230.6 facility fees and emergency room facility fees shall be increased by eight percent over the
230.7 rates in effect on December 31, 1999, except for those services for which there is a federal
230.8 maximum allowable payment. Services for which there is a federal maximum allowable
230.9 payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum
230.10 allowable payment. Total aggregate payment for outpatient hospital facility fee services
230.11 shall not exceed the Medicare upper limit. If it is determined that a provision of this
230.12 section conflicts with existing or future requirements of the United States government with
230.13 respect to federal financial participation in medical assistance, the federal requirements
230.14 prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to
230.15 avoid reduced federal financial participation resulting from rates that are in excess of
230.16 the Medicare upper limitations.

230.17 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and
230.18 ambulatory surgery hospital facility fee services for critical access hospitals designated
230.19 under section 144.1483, clause (10), shall be paid on a cost-based payment system that is
230.20 based on the cost-finding methods and allowable costs of the Medicare program.

230.21 (c) Effective for services provided on or after July 1, 2003, rates that are based
230.22 on the Medicare outpatient prospective payment system shall be replaced by a budget
230.23 neutral prospective payment system that is derived using medical assistance data. The
230.24 commissioner shall provide a proposal to the 2003 legislature to define and implement
230.25 this provision.

230.26 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,
230.27 before third-party liability and spenddown, made to hospitals for outpatient hospital
230.28 facility services is reduced by .5 percent from the current statutory rate.

230.29 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service
230.30 services provided on or after July 1, 2003, made to hospitals for outpatient hospital
230.31 facility services before third-party liability and spenddown, is reduced five percent from
230.32 the current statutory rates. Facilities defined under section 256.969, subdivision 16, are
230.33 excluded from this paragraph.

230.34 (f) In addition to the reductions in paragraphs (d) and (e), the total payment for
230.35 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
230.36 hospital facility services before third-party liability and spenddown, is reduced three

percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

ARTICLE 18
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations by fund made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (46,789,000)	\$ (124,196,000)	\$ (170,985,000)
<u>State Government Special Revenue</u>	114,000	667,000	781,000
<u>Health Care Access</u>	-0-	(770,000)	(770,000)
<u>Federal TANF</u>	29,919,000	56,356,000	86,275,000
<u>Total</u>	\$ (16,756,000)	\$ (67,943,000)	\$ (84,699,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. HUMAN SERVICES

Subdivision 1. Total Appropriation \$ (16,870,000) \$ (64,480,000)

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	(46,789,000)	(120,066,000)

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232.1	<u>Health Care Access</u>	<u>-0-</u>	<u>(770,000)</u>
232.2	<u>Federal TANF</u>	<u>29,919,000</u>	<u>56,356,000</u>
232.3	<u>The appropriation additions or reductions</u>		
232.4	<u>for each purpose are shown in the following</u>		
232.5	<u>subdivisions.</u>		
232.6	<u>Additional Working Family Credit</u>		
232.7	<u>Expenditures to be Claimed for</u>		
232.8	<u>TANF/MOE.</u> In addition to the transfer		
232.9	<u>under prior law, the commissioner may count</u>		
232.10	<u>the following amounts of working family</u>		
232.11	<u>credit expenditure as TANF/MOE:</u>		
232.12	<u>(1) \$21,085,000 in fiscal year 2008;</u>		
232.13	<u>(2) \$48,408,000 in fiscal year 2009;</u>		
232.14	<u>(3) (\$468,000) in fiscal year 2010; and</u>		
232.15	<u>(4) (\$19,000) in fiscal year 2011.</u>		
232.16	<u>Notwithstanding any contrary provision in</u>		
232.17	<u>this article, this rider expires June 30, 2011.</u>		
232.18	<u>Subd. 2. Agency Management</u>		
232.19	<u>Financial Operations</u>	<u>-0-</u>	<u>(5,867,000)</u>
232.20	<u>Transfer from Special Revenue Fund.</u>		
232.21	<u>\$1,098,000 of the amount transferred into the</u>		
232.22	<u>special revenue fund from nongrant operating</u>		
232.23	<u>balances of general fund appropriations</u>		
232.24	<u>carried forward under Laws 2007, chapter</u>		
232.25	<u>147, article 19, section 20, must be</u>		
232.26	<u>transferred to the general fund by June 30,</u>		
232.27	<u>2009.</u>		
232.28	<u>Base Adjustment.</u> The general fund base		
232.29	<u>is increased \$23,000 in fiscal year 2010 and</u>		
232.30	<u>\$26,000 in fiscal year 2011.</u>		
232.31	<u>Subd. 3. Revenue and Pass-Through Revenue</u>		
232.32	<u>Expenditures</u>		
232.33	<u>Federal TANF</u>	<u>-0-</u>	<u>950,000</u>

233.1 **TANF Transfer to Federal Child Care**
233.2 **and Development Fund.** The following
233.3 TANF fund amounts are appropriated to the
233.4 commissioner for the purposes of MFIP and
233.5 transition year child care under Minnesota
233.6 Statutes, section 119B.05:
233.7 (1) fiscal year 2009, \$950,000; and
233.8 (2) fiscal year 2010, \$1,085,000.
233.9 The commissioner shall authorize the
233.10 transfer of sufficient TANF funds to the
233.11 federal child care and development fund to
233.12 meet this appropriation and shall ensure that
233.13 all transferred funds are expended according
233.14 to federal child care and development fund
233.15 regulations.
233.16 Subd. 4. **Children and Economic Assistance**
233.17 **Grants**

233.18 **(a) MFIP/DWP Grants**

233.19	<u>Appropriations by Fund</u>		
233.20	<u>General</u>	<u>(29,919,000)</u>	<u>(50,060,000)</u>
233.21	<u>Federal TANF</u>	<u>29,919,000</u>	<u>47,946,000</u>

233.22 These appropriation adjustments replace the
233.23 appropriation adjustments in Laws 2008,
233.24 chapter 232.

233.25	<u>(b) Support Services Grants; TANF</u>	<u>-0-</u>	<u>7,100,000</u>
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233.26 **Supported Work.** (1) Of the TANF
233.27 appropriation, \$7,100,000 in fiscal year 2009
233.28 is for supported work for MFIP participants,
233.29 to be allocated to counties and tribes based
233.30 on the criteria under clauses (1) and (2) and is
233.31 available until expended. This appropriation
233.32 shall become part of base level funding to the
233.33 commissioner for the biennium beginning
233.34 July 1, 2009. Paid transitional work

234.1 experience and other supported employment
234.2 under this clause shall provide a continuum of
234.3 employment assistance, including outreach
234.4 and recruitment, program orientation
234.5 and intake, testing and assessment, job
234.6 development and marketing, preworksite
234.7 training, supported worksite experience, job
234.8 coaching, and postplacement follow-up, in
234.9 addition to extensive case management and
234.10 referral services. The base for this program
234.11 shall be \$7,100,000 in fiscal year 2010 and
234.12 zero in fiscal year 2011.

234.13 (2) A county or tribe is eligible to receive an
234.14 allocation under clause (1) if:

234.15 (i) the county or tribe is not meeting the
234.16 federal work participation rate;

234.17 (ii) the county or tribe has participants who
234.18 are required to perform work activities under
234.19 Minnesota Statutes, chapter 256J, but are not
234.20 meeting hourly work requirements; and

234.21 (iii) the county or tribe has assessed
234.22 participants who have completed six weeks
234.23 of job search or are required to perform
234.24 work activities and are not meeting the
234.25 hourly requirements, and the county or tribe
234.26 has determined that the participant would
234.27 benefit from working in a supported work
234.28 environment.

234.29 (3) A county or tribe may also be eligible for
234.30 funds in order to contract for supplemental
234.31 hours of paid work at the participant's child's
234.32 place of education, child care location, or the
234.33 child's physical or mental health treatment
234.34 facility or office. Grants to counties and
234.35 tribes under this clause are specifically for

235.1	<u>MFIP participants who need to work up</u>		
235.2	<u>to five hours more per week in order to</u>		
235.3	<u>meet the hourly work requirement, and the</u>		
235.4	<u>participant's employer cannot or will not</u>		
235.5	<u>offer more hours to the participant.</u>		
235.6	<u>(c) Basic Sliding Fee Child Care Assistance</u>		
235.7	<u>Grants</u>	-0-	<u>(9,227,000)</u>
235.8	<u>Child Care and Development Fund</u>		
235.9	<u>Unexpended Balance.</u> In addition to		
235.10	<u>the amount provided in this section, the</u>		
235.11	<u>commissioner shall expend \$9,227,000</u>		
235.12	<u>in fiscal year 2009 from the federal child</u>		
235.13	<u>care and development fund unexpended</u>		
235.14	<u>balance for basic sliding fee child care under</u>		
235.15	<u>Minnesota Statutes, section 119B.03. The</u>		
235.16	<u>commissioner shall ensure that all child</u>		
235.17	<u>care and development funds are expended</u>		
235.18	<u>according to the federal child care and</u>		
235.19	<u>development fund regulations.</u>		
235.20	<u>Base Adjustment.</u> The general fund base is		
235.21	<u>increased by \$9,444,000 in fiscal year 2010</u>		
235.22	<u>and \$9,227,000 in fiscal year 2011.</u>		
235.23	<u>(d) Child Care Development Grants</u>	-0-	<u>(360,000)</u>
235.24	<u>Grants Reduction.</u> Effective July 1, 2008,		
235.25	<u>base level funding for nonforecast, general</u>		
235.26	<u>fund child care development grants issued</u>		
235.27	<u>under this paragraph shall be reduced by 1.8</u>		
235.28	<u>percent at the allotment level.</u>		
235.29	<u>Prekindergarten Exploratory Projects.</u>		
235.30	<u>Of this appropriation reduction, \$250,000</u>		
235.31	<u>in fiscal year 2009 is from the general fund</u>		
235.32	<u>appropriation for prekindergarten exploratory</u>		
235.33	<u>projects in Laws 2007, chapter 147, article</u>		
235.34	<u>19, section 3, subdivision 4, paragraph (e).</u>		

236.1	<u>Base Adjustment.</u> Of the general fund		
236.2	<u>reduction, \$328,000 is onetime.</u>		
236.3	<u>(e) Children's Services Grants</u>	<u>(311,000)</u>	<u>(1,898,000)</u>
236.4	<u>Base Adjustment.</u> The general fund base is		
236.5	<u>increased by \$1,688,000 in each year of the</u>		
236.6	<u>fiscal year 2010 and 2011 biennium.</u>		
236.7	<u>Funding Usage.</u> Up to 75 percent of the		
236.8	<u>fiscal year 2010 appropriation for children's</u>		
236.9	<u>mental health screening grants may be used</u>		
236.10	<u>to fund calendar year 2009 allocations for</u>		
236.11	<u>these programs, with the resulting calendar</u>		
236.12	<u>year funding pattern continuing into the</u>		
236.13	<u>future.</u>		
236.14	<u>Grants Reduction.</u> Effective July 1, 2008,		
236.15	<u>base level funding for nonforecast, general</u>		
236.16	<u>fund children's services grants issued under</u>		
236.17	<u>this paragraph, excluding children's mental</u>		
236.18	<u>health grants, adoption assistance grants, and</u>		
236.19	<u>relative custody assistance grants, shall be</u>		
236.20	<u>reduced by 1.8 percent at the allotment level.</u>		
236.21	<u>(f) Children and Community Services Grants</u>	<u>-0-</u>	<u>(1,345,000)</u>
236.22	<u>Base Adjustment.</u> The general fund base		
236.23	<u>is decreased by \$98,000 in each year of the</u>		
236.24	<u>fiscal year 2010 and 2011 biennium.</u>		
236.25	<u>Grants Reduction.</u> Effective July 1, 2008,		
236.26	<u>base level funding for nonforecast, general</u>		
236.27	<u>fund children and community services grants</u>		
236.28	<u>issued under this paragraph shall be reduced</u>		
236.29	<u>by 1.8 percent at the allotment level.</u>		
236.30	<u>(g) Minnesota Supplemental Aid Grants</u>	<u>-0-</u>	<u>201,000</u>
236.31	<u>(h) Group Residential Housing Grants</u>	<u>-0-</u>	<u>(133,000)</u>
236.32	<u>(i) Other Children's and Economic Assistance</u>		
236.33	<u>Grants</u>		

237.1	<u>Appropriations by Fund</u>		
237.2	<u>General</u>	<u>-0-</u>	<u>352,000</u>
237.3	<u>Federal TANF</u>	<u>-0-</u>	<u>360,000</u>
237.4	<u>Grants Reduction.</u> Effective July 1, 2008,		
237.5	<u>base level funding for nonforecast, general</u>		
237.6	<u>fund other children's and economic assistance</u>		
237.7	<u>grants issued under this paragraph shall be</u>		
237.8	<u>reduced by 1.8 percent at the allotment level.</u>		
237.9	<u>The base for grants impacted by this</u>		
237.10	<u>reduction shall increase by \$4,000 in fiscal</u>		
237.11	<u>year 2010 and \$14,000 in fiscal year 2011.</u>		
237.12	<u>Foodshelf Programs.</u> Of the general fund		
237.13	<u>appropriation, \$500,000 in fiscal year 2009</u>		
237.14	<u>is for foodshelf programs under Minnesota</u>		
237.15	<u>Statutes, section 256E.34. This is a onetime</u>		
237.16	<u>appropriation and is available until expended.</u>		
237.17	<u>Long-Term Homeless Supportive Services.</u>		
237.18	<u>\$145,000 from the general fund and \$360,000</u>		
237.19	<u>from TANF in fiscal year 2009 is for the</u>		
237.20	<u>long-term homeless supportive services fund</u>		
237.21	<u>under Minnesota Statutes, section 256K.26.</u>		
237.22	<u>This is a onetime appropriation and is</u>		
237.23	<u>available until expended.</u>		
237.24	<u>Subd. 5. Basic Health Care Grants</u>		
237.25	<u>(a) MinnesotaCare Grants</u>		
237.26	<u>Health Care Access</u>	<u>-0-</u>	<u>(770,000)</u>
237.27	<u>Incentive Program and Outreach Grants.</u>		
237.28	<u>Of the appropriation for the Minnesota health</u>		
237.29	<u>care outreach program in Laws 2007, chapter</u>		
237.30	<u>147, article 19, section 3, subdivision 7,</u>		
237.31	<u>paragraph (b):</u>		
237.32	<u>(1) \$400,000 in fiscal year 2009 from the</u>		
237.33	<u>general fund and \$200,000 in fiscal year 2009</u>		
237.34	<u>from the health care access fund are for the</u>		

238.1 incentive program under Minnesota Statutes,
238.2 section 256.962, subdivision 5. For the
238.3 biennium beginning July 1, 2009, base level
238.4 funding for this activity shall be \$360,000
238.5 from the general fund and \$160,000 from the
238.6 health care access fund; and

238.7 (2) \$100,000 in fiscal year 2009 from the
238.8 general fund and \$50,000 in fiscal year 2009
238.9 from the health care access fund are for the
238.10 outreach grants under Minnesota Statutes,
238.11 section 256.962, subdivision 2. For the
238.12 biennium beginning July 1, 2009, base level
238.13 funding for this activity shall be \$90,000
238.14 from the general fund and \$40,000 from the
238.15 health care access fund.

238.16 **(b) MA Basic Health Care Grants - Families**
238.17 **and Children**

-0-

(17,280,000)

238.18 **Third-Party Liability.** (a) During
238.19 fiscal year 2009, the commissioner shall
238.20 employ a contractor paid on a percentage
238.21 basis to improve third-party collections.
238.22 Improvement initiatives may include, but not
238.23 be limited to, efforts to improve postpayment
238.24 collection from nonresponsive claims and
238.25 efforts to uncover third-party payers the
238.26 commissioner has been unable to identify.

238.27 (b) In fiscal year 2009, the first \$1,098,000
238.28 of recoveries, after contract payments and
238.29 federal repayments, is appropriated to
238.30 the commissioner for technology-related
238.31 expenses.

238.32 **Administrative Costs.** (a) For contracts
238.33 effective on or after January 1, 2009,
238.34 the commissioner shall limit aggregate
238.35 administrative costs paid to managed care

239.1 plans under Minnesota Statutes, section
239.2 256B.69, and to county-based purchasing
239.3 plans under Minnesota Statutes, section
239.4 256B.692, to an overall average of 6.6
239.5 percent of total contract payments under
239.6 Minnesota Statutes, sections 256B.69 and
239.7 256B.692, for each calendar year. For
239.8 purposes of this paragraph, administrative
239.9 costs do not include premium taxes paid
239.10 under Minnesota Statutes, section 297I.05,
239.11 subdivision 5, and provider surcharges paid
239.12 under Minnesota Statutes, section 256.9657,
239.13 subdivision 3.

239.14 (b) Notwithstanding any law to the contrary,
239.15 the commissioner may reduce or eliminate
239.16 administrative requirements to meet the
239.17 administrative target under paragraph (a).

239.18 (c) Notwithstanding any contrary provision
239.19 of this article, this rider shall not expire.

239.20 **Hospital Payment Delay.** Notwithstanding
239.21 Laws 2005, First Special Session chapter 4,
239.22 article 9, section 2, subdivision 6, payments
239.23 from the Medicaid Management Information
239.24 System that would otherwise have been made
239.25 for inpatient hospital services for medical
239.26 assistance enrollees are delayed as follows:
239.27 (1) for fiscal year 2008, June payments must
239.28 be included in the first payments in fiscal
239.29 year 2009; and (2) for fiscal year 2009,
239.30 June payments must be included in the first
239.31 payment of fiscal year 2010. The provisions
239.32 of Minnesota Statutes, section 16A.124,
239.33 do not apply to these delayed payments.
239.34 Notwithstanding any contrary provision in

240.1 this article, this paragraph expires on June

240.2 30, 2010.

240.3 (c) MA Basic Health Care Grants - Elderly and
240.4 Disabled

(14,028,000)

(9,368,000)

240.5 Minnesota Disability Health Options Rate

240.6 Setting Methodology. The commissioner

240.7 shall develop and implement a methodology

240.8 for risk adjusting payments for community

240.9 alternatives for disabled individuals (CADI)

240.10 and traumatic brain injury (TBI) home

240.11 and community-based waiver services

240.12 delivered under the Minnesota disability

240.13 health options program (MnDHO) effective

240.14 January 1, 2009. The commissioner shall

240.15 take into account the weighting system used

240.16 to determine county waiver allocations in

240.17 developing the new payment methodology.

240.18 Growth in the number of enrollees receiving

240.19 CADI or TBI waiver payments through

240.20 MnDHO is limited to an increase of 200

240.21 enrollees in each calendar year from January

240.22 2009 through December 2011. If those limits

240.23 are reached, additional members may be

240.24 enrolled in MnDHO for basic care services

240.25 only as defined under Minnesota Statutes,

240.26 section 256B.69, subdivision 28, and the

240.27 commissioner may establish a waiting list for

240.28 future access of MnDHO members to those

240.29 waiver services.

240.30 MA Basic Elderly and Disabled

240.31 Adjustments. For the fiscal year ending June

240.32 30, 2009, the commissioner may adjust the

240.33 rates for each service affected by rate changes

240.34 under this section in such a manner across

240.35 the fiscal year to achieve the necessary cost

240.36 savings and minimize disruption to service

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241.1 providers, notwithstanding the requirements
241.2 of Laws 2007, chapter 147, article 7, section
241.3 71.

241.4 (d) General Assistance Medical Care Grants -0- (6,971,000)

241.5 (e) Other Health Care Grants -0- (17,000)

241.6 **MinnesotaCare Outreach Grants Special**

241.7 **Revenue Account.** The balance in the

241.8 MinnesotaCare outreach grants special

241.9 revenue account on July 1, 2009, estimated

241.10 to be \$900,000, must be transferred to the

241.11 general fund.

241.12 **Grants Reduction.** Effective July 1, 2008,

241.13 base level funding for nonforecast, general

241.14 fund health care grants issued under this

241.15 paragraph shall be reduced by 1.8 percent at

241.16 the allotment level.

241.17 **Subd. 6. Continuing Care Grants**

241.18 (a) Aging and Adult Services Grants -0- (337,000)

241.19 **Base Adjustment.** The general fund base is

241.20 increased by \$71,000 in fiscal year 2010 and

241.21 \$70,000 in fiscal year 2011.

241.22 **Grants Reduction.** Effective July 1, 2008,

241.23 base level funding for nonforecast, general

241.24 fund aging and adult services state grants

241.25 issued under this paragraph shall be reduced

241.26 by 1.8 percent at the allotment level.

241.27 **Aging and Adult Services Adjustments.**

241.28 For the fiscal year ending June 30, 2009,

241.29 the commissioner may allocate each grant

241.30 affected by rate changes under this section

241.31 in such a manner across the fiscal year

241.32 to achieve the necessary cost savings

241.33 and minimize disruption to grantees. To

241.34 implement this paragraph, the commissioner

242.1 may waive the requirements of Laws 2007,
242.2 chapter 147, article 7, section 71, including
242.3 the employee compensation-related cost
242.4 requirements.

242.5 **Living-At-Home/Block Nurse Program**

242.6 **Funding.** Notwithstanding the provisions
242.7 of Minnesota Statutes, section 256B.0917,
242.8 subdivision 8, for the fiscal year beginning
242.9 July 1, 2008, the commissioner of human
242.10 services shall transfer \$240,000 from the
242.11 community service grant program under
242.12 Minnesota Statutes, section 256B.0917,
242.13 subdivision 13, to the living-at-home/block
242.14 nurse program under Minnesota Statutes,
242.15 section 256B.0917, subdivision 8, to provide
242.16 \$20,000 each for 12 living-at-home/block
242.17 nurse programs currently operating without
242.18 base funding. This is onetime funding.

242.19 **(b) Alternative Care Grants** -0- (198,000)

242.20 This reduction is onetime.

242.21 **(c) MA Long-Term Care Facilities Grants** (2,306,000) 3,045,000

242.22 **Nursing Facility Rate Increase.** (a) For
242.23 the rate year beginning October 1, 2008,
242.24 the commissioner shall make available
242.25 to each nursing facility reimbursed under
242.26 Minnesota Statutes, section 256B.434,
242.27 operating payment rate adjustments equal to
242.28 1.00 percent of the operating payment rates
242.29 determined by the blending in Minnesota
242.30 Statutes, section 256B.441, subdivision 55,
242.31 paragraph (a).

242.32 **(b) Seventy-five percent of the money**
242.33 **resulting from the rate adjustment under**
242.34 **paragraph (a) must be used for increases in**
242.35 **compensation-related costs for employees**

243.1 directly employed by the nursing facility
243.2 on or after the effective date of the rate
243.3 adjustment, except:
243.4 (1) the administrator;
243.5 (2) persons employed in the central office of
243.6 a corporation that has an ownership interest
243.7 in the nursing facility or exercises control
243.8 over the nursing facility; and
243.9 (3) persons paid by the nursing facility under
243.10 a management contract.
243.11 (c) Two-thirds of the money available
243.12 under paragraph (b) must be used for wage
243.13 increases for all employees directly employed
243.14 by the nursing facility on or after the effective
243.15 date of the rate adjustment, except those
243.16 listed in paragraph (b), clauses (1) to (3).
243.17 The wage adjustment that employees receive
243.18 under this paragraph must be paid as an
243.19 equal hourly percentage wage increase for
243.20 all eligible employees. All wage increases
243.21 under this paragraph must be effective on
243.22 the same date. Only costs associated with
243.23 the portion of the equal hourly percentage
243.24 wage increase that goes to all employees
243.25 shall qualify under this paragraph. Costs
243.26 associated with wage increases in excess of
243.27 the amount of the equal hourly percentage
243.28 wage increase provided to all employees shall
243.29 be allowed only for meeting the requirements
243.30 in paragraph (b). This paragraph shall not
243.31 apply to employees covered by a collective
243.32 bargaining agreement.
243.33 (d) The commissioner shall allow as
243.34 compensation-related costs all costs for:
243.35 (1) wages and salaries;

244.1 (2) FICA taxes, Medicare taxes, state and
244.2 federal unemployment taxes, and workers'
244.3 compensation;

244.4 (3) the employer's share of health and
244.5 dental insurance, life insurance, disability
244.6 insurance, long-term care insurance, uniform
244.7 allowance, and pensions; and

244.8 (4) other benefits provided, subject to the
244.9 approval of the commissioner.

244.10 (e) The portion of the rate adjustment under
244.11 paragraph (a) that is not subject to the
244.12 requirements in paragraphs (b) and (c) shall
244.13 be provided to nursing facilities effective
244.14 October 1, 2008.

244.15 (f) Nursing facilities may apply for the
244.16 portion of the rate adjustment under
244.17 paragraph (a) that is subject to the
244.18 requirements in paragraphs (b) and (c).

244.19 The application must be submitted to the
244.20 commissioner within six months of the
244.21 effective date of the rate adjustment, and
244.22 the nursing facility must provide additional
244.23 information required by the commissioner
244.24 within nine months of the effective date
244.25 of the rate adjustment. The commissioner
244.26 must respond to all applications within
244.27 three weeks of receipt. The commissioner
244.28 may waive the deadlines in this paragraph
244.29 under extraordinary circumstances, to be
244.30 determined at the sole discretion of the
244.31 commissioner. The application must contain:

244.32 (1) an estimate of the amounts of money that
244.33 must be used as specified in paragraphs (b)
244.34 and (c);

245.1 (2) a detailed distribution plan specifying the
245.2 allowable compensation-related and wage
245.3 increases the nursing facility will implement
245.4 to use the funds available in clause (1);

245.5 (3) a description of how the nursing facility
245.6 will notify eligible employees of the contents
245.7 of the approved application, which must
245.8 provide for giving each eligible employee a
245.9 copy of the approved application, excluding
245.10 the information required in clause (1), or
245.11 posting a copy of the approved application,
245.12 excluding the information required in clause
245.13 (1), for a period of at least six weeks in
245.14 an area of the nursing facility to which all
245.15 eligible employees have access; and

245.16 (4) instructions for employees who
245.17 believe they have not received the
245.18 compensation-related or wage increases
245.19 specified in clause (2), as approved by the
245.20 commissioner, and which must include a
245.21 mailing address, e-mail address, and the
245.22 telephone number that may be used by the
245.23 employee to contact the commissioner or the
245.24 commissioner's representative.

245.25 (g) The commissioner shall ensure that
245.26 cost increases in distribution plans under
245.27 paragraph (f), clause (2), that may be
245.28 included in approved applications, comply
245.29 with the following requirements:

245.30 (1) costs to be incurred during the applicable
245.31 rate year resulting from wage and salary
245.32 increases effective after October 1, 2007, and
245.33 prior to the first day of the nursing facility's
245.34 payroll period that includes October 1, 2008,

246.1 shall be allowed if they were not used in the
246.2 prior year's application;

246.3 (2) a portion of the costs resulting from
246.4 tenure-related wage or salary increases
246.5 may be considered to be allowable wage
246.6 increases, according to formulas that the
246.7 commissioner shall provide, where employee
246.8 retention is above the average statewide rate
246.9 of retention of direct care employees;

246.10 (3) the annualized amount of increases in
246.11 costs for the employer's share of health and
246.12 dental insurance, life insurance, disability
246.13 insurance, and workers' compensation shall
246.14 be allowable compensation-related increases
246.15 if they are effective on or after April 1, 2008,
246.16 and prior to April 1, 2009; and

246.17 (4) for nursing facilities in which employees
246.18 are represented by an exclusive bargaining
246.19 representative, the commissioner shall
246.20 approve the application only upon receipt of
246.21 a letter of acceptance of the distribution plan,
246.22 in regard to members of the bargaining unit,
246.23 signed by the exclusive bargaining agent and
246.24 dated after May 25, 2008. Upon receipt of
246.25 the letter of acceptance, the commissioner
246.26 shall deem all requirements of this rider as
246.27 having been met in regard to the members
246.28 of the bargaining unit.

246.29 (h) The commissioner shall review
246.30 applications received under paragraph (f)
246.31 and shall provide the portion of the rate
246.32 adjustment under paragraphs (b) and (c)
246.33 if the requirements of this rider have been
246.34 met. The rate adjustment shall be effective
246.35 October 1, 2008. Notwithstanding paragraph

247.1 (a), if the approved application distributes
247.2 less money than is available, the amount of
247.3 the rate adjustment shall be reduced so that
247.4 the amount of money made available is equal
247.5 to the amount to be distributed.

247.6 (i) Of the general fund appropriation,
247.7 \$2,877,000 in fiscal year 2009 is for the
247.8 purposes of paragraphs (a) to (h).

247.9 (j) Notwithstanding any contrary provision
247.10 of this article, this rider shall not expire.

247.11 **Nursing Facility Temporary Rate**
247.12 **Adjustment.** (a) Of the general fund
247.13 appropriation, \$2,877,000 for fiscal year
247.14 2009 is to make available to nursing
247.15 facilities reimbursed under Minnesota
247.16 Statutes, section 256B.434, for the rate year
247.17 beginning October 1, 2008, a temporary
247.18 rate adjustment equal to 1.0 percent of the
247.19 operating payment rates determined by the
247.20 blending in Minnesota Statutes, section
247.21 256B.441, subdivision 55, paragraph (a).
247.22 This rate adjustment shall be removed from
247.23 the facility's operating payment rate for the
247.24 rate year beginning October 1, 2009.

247.25 (b) Seventy-five percent of the money
247.26 resulting from the rate adjustment under
247.27 paragraph (a) must be used to provide
247.28 quarterly bonus payments, and to pay
247.29 for associated employer costs and other
247.30 benefits as specified in Minnesota Statutes,
247.31 section 256B.434, subdivision 19, paragraph
247.32 (d), clauses (2) to (4), for all employees
247.33 directly employed by the nursing facility on
247.34 December 31, 2008; March 31, 2009; June
247.35 30, 2009; and September 30, 2009, except:

248.1 (1) the administrator;
248.2 (2) persons employed in the central office of
248.3 a corporation that has an ownership interest
248.4 in the nursing facility or exercises control
248.5 over the nursing facility; and
248.6 (3) persons paid by the nursing facility under
248.7 a management contract.
248.8 (c) Two-thirds of the money available under
248.9 paragraph (b) must be used for an equal
248.10 hourly percentage wage bonus for all eligible
248.11 employees.
248.12 (d) Nursing facilities may apply for the
248.13 portion of the rate adjustment subject to
248.14 paragraphs (b) and (c), and the commissioner
248.15 shall review and act on applications,
248.16 according to the procedures specified in
248.17 Minnesota Statutes, section 256B.434,
248.18 subdivision 19. The portion of the rate
248.19 adjustment under paragraph (a) that is not
248.20 subject to the requirements in paragraphs (b)
248.21 and (c) shall be provided to nursing facilities
248.22 effective October 1, 2008.
248.23 (e) Notwithstanding any contrary provision
248.24 in this article, this rider expires December
248.25 31, 2009.
248.26 **(d) MA Long-Term Care Waivers and Home**
248.27 **Care Grants**

248.28 **Manage Growth in TBI and CADI Waiver.**
248.29 During the fiscal years beginning on July
248.30 1, 2008, July 1, 2009, and July 1, 2010,
248.31 the commissioner shall allocate money
248.32 for home and community-based programs
248.33 covered under Minnesota Statutes, section
248.34 256B.49, to ensure a reduction in state
248.35 spending that is equivalent to limiting the

-0-

(10,643,000)

249.1 caseload growth of the traumatic brain injury
249.2 (TBI) waiver to 200 allocations in each
249.3 year of the biennium and the community
249.4 alternatives for disabled individuals (CADI)
249.5 waiver to 1,500 allocations each year of the
249.6 biennium. Priorities for the allocation of
249.7 funds must be for individuals anticipated to
249.8 be discharged from institutional settings or
249.9 who are at imminent risk of a placement in
249.10 an institutional setting. Notwithstanding any
249.11 contrary section in this article, this provision
249.12 expires June 30, 2011.

249.13 **(e) Mental Health Grants** -0- (4,823,000)

249.14 **Base Adjustment.** This reduction is
249.15 onetime.

249.16 **Funding Usage.** Up to 75 percent of the
249.17 fiscal year 2010 appropriation for adult
249.18 mental health grants may be used to fund
249.19 calendar year 2009 allocations for these
249.20 programs, with the resulting calendar year
249.21 funding pattern continuing into the future.

249.22 **(f) Chemical Dependency Entitlement Grants** -0- (2,069,000)

249.23 **Payments for Substance Abuse Treatment.**
249.24 For services provided in fiscal year 2009,
249.25 county-negotiated rates and provider claims
249.26 to the consolidated chemical dependency
249.27 fund must not exceed rates charged for
249.28 services in excess of those in effect on
249.29 May 31, 2008. If statutes authorize a
249.30 cost-of-living adjustment during fiscal year
249.31 2009, then notwithstanding any law to the
249.32 contrary, fiscal year 2009 rates may not
249.33 exceed those in effect on May 31, 2008, plus
249.34 any authorized cost-of-living adjustments.

250.1	<u>Chemical Dependency Treatment Fund</u>		
250.2	<u>Special Revenue Account.</u> The lesser of		
250.3	<u>the balance of the consolidated chemical</u>		
250.4	<u>dependency treatment fund at the close of</u>		
250.5	<u>the fiscal year 2008, or \$2,784,000 must be</u>		
250.6	<u>transferred and deposited into the general</u>		
250.7	<u>fund by September 1, 2008. The lesser of</u>		
250.8	<u>the balance of the consolidated chemical</u>		
250.9	<u>dependency treatment fund at the close of</u>		
250.10	<u>the fiscal year 2009, or \$2,009,000 must be</u>		
250.11	<u>transferred and deposited into the general</u>		
250.12	<u>fund by September 1, 2009.</u>		
250.13	<u>(g) Chemical Dependency Nonentitlement</u>		
250.14	<u>Grants</u>	<u>-0-</u>	<u>1,967,000</u>
250.15	<u>Base Level Adjustment.</u> The general		
250.16	<u>fund base for chemical dependency</u>		
250.17	<u>nonentitlement treatment grants must be</u>		
250.18	<u>reduced by \$1,686,000 for fiscal year 2010</u>		
250.19	<u>and by \$1,686,000 for fiscal year 2011.</u>		
250.20	<u>White Earth treatment facility.</u> \$2,000,000		
250.21	<u>is appropriated from the general fund to</u>		
250.22	<u>the commissioner of human services for a</u>		
250.23	<u>grant to the White Earth tribe to purchase</u>		
250.24	<u>or develop one or more culturally specific</u>		
250.25	<u>treatment programs or capital facilities, or</u>		
250.26	<u>both, designed to serve youth from native</u>		
250.27	<u>cultures. This appropriation is onetime and</u>		
250.28	<u>is available until spent.</u>		
250.29	<u>Grants Reduction.</u> Effective July 1, 2008,		
250.30	<u>base level funding for nonforecast, general</u>		
250.31	<u>fund chemical dependency nonentitlement</u>		
250.32	<u>grants issued under this paragraph shall be</u>		
250.33	<u>reduced by 1.8 percent at the allotment level.</u>		
250.34	<u>(h) Other Continuing Care Grants</u>	<u>-0-</u>	<u>(4,729,000)</u>

251.1 **Base Level Adjustment.** The general fund
251.2 base is increased by \$7,283,000 in fiscal year
251.3 2010 and \$4,921,000 in fiscal year 2011.

251.4 **Housing Access Grants.** Of the general
251.5 fund appropriation, \$250,000 is appropriated
251.6 in fiscal year 2009 for housing access
251.7 grants under Minnesota Statutes, section
251.8 256B.0658.

251.9 **Funding Usage.** Up to 75 percent of
251.10 the fiscal year 2010 appropriation for
251.11 semi-independent living services grants and
251.12 family support grants may be used to fund
251.13 calendar year 2009 allocations for these
251.14 programs, with the resulting calendar year
251.15 funding pattern continuing into the future.

251.16 **Grants Reduction.** Effective July 1, 2008,
251.17 base level funding for nonforecast, general
251.18 fund other continuing care grants issued
251.19 under this paragraph, except for HIV grants,
251.20 shall be reduced by 1.8 percent at the
251.21 allotment level. HIV grants shall be reduced
251.22 by 1.7 percent at the allotment level effective
251.23 July 1, 2009.

251.24 **Other Continuing Care Grant**

251.25 **Adjustments.** For the fiscal year ending June
251.26 30, 2009, the commissioner may allocate
251.27 each grant affected by rate changes under
251.28 this section in such a manner across the fiscal
251.29 year to achieve the necessary cost savings
251.30 and minimize disruption to grantees. To
251.31 implement this paragraph, the commissioner
251.32 may waive the requirements of Laws 2007,
251.33 chapter 147, article 7, section 71, including
251.34 the employee compensation-related cost
251.35 requirements.

252.1	<u>Subd. 7. State-Operated Services</u>		
252.2	<u>County Past Due Receivables. The</u>		
252.3	<u>commissioner is authorized to withhold</u>		
252.4	<u>county federal administrative reimbursement</u>		
252.5	<u>when the county of financial responsibility</u>		
252.6	<u>for cost-of-care payments due to the state</u>		
252.7	<u>under Minnesota Statutes, section 246.54</u>		
252.8	<u>or 253B.045, is 90 days past due. The</u>		
252.9	<u>commissioner shall deposit the withheld</u>		
252.10	<u>federal administrative earnings for the county</u>		
252.11	<u>into the general fund to settle the claims with</u>		
252.12	<u>the county of financial responsibility. The</u>		
252.13	<u>process for withholding funds is governed by</u>		
252.14	<u>Minnesota Statutes, section 256.017.</u>		
252.15	<u>Internet-Based Resource. Notwithstanding</u>		
252.16	<u>Laws 2005, First Special Session chapter 4,</u>		
252.17	<u>article 9, section 2, subdivision 10, base level</u>		
252.18	<u>funding for the fiscal year beginning July 1,</u>		
252.19	<u>2008, is zero for the evidence-based practice</u>		
252.20	<u>for the treatment of methamphetamine</u>		
252.21	<u>abuse at the state-operated services chemical</u>		
252.22	<u>dependency program at Willmar. The</u>		
252.23	<u>Internet-based resource developed as part</u>		
252.24	<u>of the evidence-based practice must be</u>		
252.25	<u>maintained by the commissioner.</u>		
252.26	<u>Community Behavioral Health Hospitals.</u>		
252.27	<u>Under Minnesota Statutes, section 246.51,</u>		
252.28	<u>subdivision 1, a determination order for</u>		
252.29	<u>clients in the community behavioral hospital</u>		
252.30	<u>operated by the commissioner is only</u>		
252.31	<u>required when a client's third-party mental</u>		
252.32	<u>health coverage has been exhausted.</u>		
252.33	<u>(a) Mental Health Services</u>	<u>(225,000)</u>	<u>(300,000)</u>
252.34	<u>(b) Minnesota Sex Offender Services</u>	<u>-0-</u>	<u>-0-</u>

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253.1 **Sex Offender Program.** Base level funding
253.2 for the Minnesota sex offender program
253.3 under Minnesota Statutes, chapter 246B,
253.4 is reduced by \$2,329,000 for fiscal years
253.5 beginning on or after July 1, 2009. This
253.6 reduction does not apply to the portion of the
253.7 per diem related to professional treatment
253.8 service costs.

253.9 **Sec. 4. COMMISSIONER OF HEALTH**

253.10	Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u>	\$	<u>(3,663,000)</u>
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253.11 Appropriations by Fund

253.12		<u>2008</u>	<u>2009</u>
253.13	<u>General</u>	<u>-0-</u>	<u>(4,130,000)</u>
253.14	<u>State Government</u>		
253.15	Special Revenue	-0-	467,000

253.16 The appropriation additions or reductions
253.17 for each purpose are shown in the following
253.18 subdivisions.

253.19	<u>Subd. 2. Community and Family Health</u>		
253.20	Promotion	-0-	(843,000)

253.21 **Minnesota ENABL Program.**
253.22 Notwithstanding Laws 2007, chapter
253.23 147, article 19, section 4, subdivision 2, base
253.24 level funding for the Minnesota ENABL
253.25 program under Minnesota Statutes, section
253.26 145.9255, for the fiscal year beginning July
253.27 1, 2008, is zero.

253.28 **Grants Reduction.** Effective July 1,
253.29 2008, base level funding for general fund
253.30 community and family health grants issued
253.31 under this paragraph shall be reduced by 1.8
253.32 percent at the allotment level.

253.33 Subd. 3. **Policy, Quality, and Compliance**

254.1	<u>Appropriations by Fund</u>		
254.2	<u>General</u>	<u>-0-</u>	<u>(2,070,000)</u>
254.3	<u>State Government</u>		
254.4	<u>Special Revenue</u>	<u>-0-</u>	<u>32,000</u>

254.5 **Grants Reduction.** Effective July 1, 2008,
254.6 base level funding for general fund policy,
254.7 quality, and compliance grants issued under
254.8 this paragraph, excluding medical education
254.9 and research costs transition funding grants
254.10 to the Mayo Clinic, shall be reduced by 1.8
254.11 percent at the allotment level.

254.12 **Interpreter Services Quality Initiative.** Of
254.13 the state government special revenue fund
254.14 appropriation, \$32,000 in fiscal year 2009 is
254.15 for the interpreter services quality initiative
254.16 under Minnesota Statutes, section 144.058.

254.17 **MERC Federal Compliance.**
254.18 Notwithstanding Laws 2007, chapter
254.19 147, article 19, section 4, subdivision 3, the
254.20 general fund appropriation in fiscal year
254.21 2009 for the commissioner to distribute to
254.22 the Mayo Clinic for the purpose of providing
254.23 transition funding while federal compliance
254.24 changes are made to the medical education
254.25 and research cost funding distribution
254.26 formula in Minnesota Statutes, section
254.27 62J.692, shall be \$4,250,000. Base level
254.28 funding for this activity for fiscal years 2010
254.29 and 2011 shall be \$1,000,000 each year. This
254.30 funding shall not become part of the base
254.31 in 2012 and 2013. Notwithstanding any
254.32 contrary provision of this article, this rider
254.33 expires on June 30, 2012.

254.34 **Base Adjustment.** The state government
254.35 special revenue base is decreased by \$11,000
254.36 in both fiscal years 2010 and 2011.

255.1	<u>Subd. 4. Health Protection</u>		
255.2	<u>Appropriations by Fund</u>		
255.3	<u>General</u>	<u>-0-</u>	<u>(40,000)</u>
255.4	<u>State Government</u>		
255.5	<u>Special Revenue</u>	<u>-0-</u>	<u>435,000</u>
255.6	<u>Grants Reduction. Effective July 1, 2008,</u>		
255.7	<u>base level funding for general fund health</u>		
255.8	<u>protection grants issued under this paragraph</u>		
255.9	<u>shall be reduced by 1.8 percent at the</u>		
255.10	<u>allotment level.</u>		
255.11	<u>Inspection Delegation. \$435,000 from the</u>		
255.12	<u>state government special revenue fund in</u>		
255.13	<u>fiscal year 2009 is for the St. Louis County</u>		
255.14	<u>inspection delegation. The base funding for</u>		
255.15	<u>this appropriation shall increase by \$89,000</u>		
255.16	<u>in each of fiscal years 2010 and 2011.</u>		
255.17	<u>Subd. 5. Minority and Multicultural Health</u>	<u>-0-</u>	<u>(77,000)</u>
255.18	<u>Grants Reduction. Effective July 1, 2008,</u>		
255.19	<u>base level funding for general fund minority</u>		
255.20	<u>and multicultural health grants issued under</u>		
255.21	<u>this paragraph shall be reduced by 1.8</u>		
255.22	<u>percent at the allotment level.</u>		
255.23	<u>Subd. 6. Administrative Support Services</u>	<u>0</u>	<u>(1,100,000)</u>
255.24	<u>Base Adjustment. The general fund base is</u>		
255.25	<u>increased \$46,000 in fiscal years 2010 and</u>		
255.26	<u>2011.</u>		
255.27	<u>Sec. 5. HEALTH RELATED BOARDS</u>		
255.28	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>114,000 \$ 200,000</u>
255.29	<u>Appropriations by Fund</u>		
255.30		<u>2008</u>	<u>2009</u>
255.31	<u>General</u>	<u>-0-</u>	<u>-0-</u>
255.32	<u>State Government</u>		
255.33	<u>Special Revenue</u>	<u>114,000</u>	<u>200,000</u>

256.1	<u>Transfer from Special Revenue Fund.</u>		
256.2	<u>During the fiscal year beginning July 1, 2008,</u>		
256.3	<u>the commissioner of finance shall transfer</u>		
256.4	<u>\$3,219,000 from the state government</u>		
256.5	<u>special revenue fund to the general fund.</u>		
256.6	<u>Subd. 2. Board of Nursing Home</u>		
256.7	<u>Administrators</u>		
256.8	<u>State Government Special Revenue</u>	<u>100,000</u>	<u>200,000</u>
256.9	<u>Administrative Services Unit.</u> The amounts		
256.10	<u>appropriated are for the administrative</u>		
256.11	<u>services unit to pay for costs of contested</u>		
256.12	<u>case hearings and other unanticipated</u>		
256.13	<u>costs of legal proceedings involving</u>		
256.14	<u>health-related boards funded under Laws</u>		
256.15	<u>2007, chapter 147, article 19, section 6. Upon</u>		
256.16	<u>certification of a health-related board to the</u>		
256.17	<u>administrative services unit that the costs</u>		
256.18	<u>will be incurred and that there is insufficient</u>		
256.19	<u>money available to pay for the costs out of</u>		
256.20	<u>money currently available to that board, the</u>		
256.21	<u>administrative services unit is authorized</u>		
256.22	<u>to transfer money from this appropriation</u>		
256.23	<u>to the board for payment of those costs</u>		
256.24	<u>with the approval of the commissioner of</u>		
256.25	<u>finance. This appropriation does not cancel.</u>		
256.26	<u>Any unencumbered and unspent balances</u>		
256.27	<u>remain available for these expenditures in</u>		
256.28	<u>subsequent fiscal years.</u>		
256.29	<u>Subd. 3. Board of Marriage and Family</u>		
256.30	<u>Therapy</u>		
256.31	<u>State Government Special Revenue</u>	<u>14,000</u>	<u>-0-</u>
256.32	<u>Sec. 6. EMERGENCY MEDICAL SERVICES</u>		
256.33	<u>BOARD</u>		
256.34	<u>Longevity Award and Incentive Program.</u>		
256.35	<u>For the fiscal year beginning July 1, 2008,</u>		

257.1 \$6,200,000 must be transferred from the
257.2 ambulance service personnel longevity
257.3 award and incentive trust to the general fund.

257.4 Sec. 7. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to read:

257.5 Subd. 4. **Children and Economic Assistance**
257.6 **Grants**

257.7 The amounts that may be spent from this
257.8 appropriation for each purpose are as follows:

257.9 **(a) MFIP/DWP Grants**

257.10	Appropriations by Fund		
257.11	General	62,069,000	62,405,000
257.12	Federal TANF	75,904,000	80,841,000

257.13 **(b) Support Services Grants**

257.14	Appropriations by Fund		
257.15	General	8,715,000	8,715,000
257.16	Federal TANF	113,429,000	115,902,000

257.17 **TANF Prior Appropriation Cancellation.**

257.18 Notwithstanding Laws 2001, First Special
257.19 Session chapter 9, article 17, section
257.20 2, subdivision 11, paragraph (b), any
257.21 unexpended TANF funds appropriated to the
257.22 commissioner to contract with the Board of
257.23 Trustees of Minnesota State Colleges and
257.24 Universities, to provide tuition waivers to
257.25 employees of health care and human service
257.26 providers that are members of qualifying
257.27 consortia operating under Minnesota
257.28 Statutes, sections 116L.10 to 116L.15, must
257.29 cancel at the end of fiscal year 2007.

257.30 **MFIP Pilot Program.** Of the TANF
257.31 appropriation, \$100,000 in fiscal year 2008
257.32 and \$750,000 in fiscal year 2009 are for a
257.33 grant to the Stearns-Benton Employment and
257.34 Training Council for the Workforce U pilot

258.1 program. Base level funding for this program
258.2 shall be \$750,000 in 2010 and \$0 in 2011.

258.3 **Supported Work.** (1) Of the TANF
258.4 appropriation, \$5,468,000 in fiscal year 2008
258.5 ~~and \$7,291,000 in fiscal year 2009~~ are is for
258.6 supported work for MFIP participants, to
258.7 be allocated to counties and tribes based on
258.8 the criteria under clauses (2) and (3), and is
258.9 available until expended. Paid transitional
258.10 work experience and other supported
258.11 employment under this rider provides
258.12 a continuum of employment assistance,
258.13 including outreach and recruitment,
258.14 program orientation and intake, testing and
258.15 assessment, job development and marketing,
258.16 preworksite training, supported worksite
258.17 experience, job coaching, and postplacement
258.18 follow-up, in addition to extensive case
258.19 management and referral services. * **(The**
258.20 **preceding text "and \$7,291,000 in fiscal**
258.21 **year 2009" was indicated as vetoed by the**
258.22 **governor.)**

258.23 (2) A county or tribe is eligible to receive an
258.24 allocation under this rider if:

258.25 (i) the county or tribe is not meeting the
258.26 federal work participation rate;
258.27 (ii) the county or tribe has participants who
258.28 are required to perform work activities under
258.29 Minnesota Statutes, chapter 256J, but are not
258.30 meeting hourly work requirements; and
258.31 (iii) the county or tribe has assessed
258.32 participants who have completed six weeks
258.33 of job search or are required to perform
258.34 work activities and are not meeting the
258.35 hourly requirements, and the county or tribe

259.1 has determined that the participant would
259.2 benefit from working in a supported work
259.3 environment.

259.4 (3) A county or tribe may also be eligible for
259.5 funds in order to contract for supplemental
259.6 hours of paid work at the participant's child's
259.7 place of education, child care location, or the
259.8 child's physical or mental health treatment
259.9 facility or office. This grant to counties and
259.10 tribes is specifically for MFIP participants
259.11 who need to work up to five hours more
259.12 per week in order to meet the hourly work
259.13 requirement, and the participant's employer
259.14 cannot or will not offer more hours to the
259.15 participant.

259.16 **Work Study.** Of the TANF appropriation,
259.17 \$750,000 each year are to the commissioner
259.18 to contract with the Minnesota Office of
259.19 Higher Education for the biennium beginning
259.20 July 1, 2007, for work study grants under
259.21 Minnesota Statutes, section 136A.233,
259.22 specifically for low-income individuals who
259.23 receive assistance under Minnesota Statutes,
259.24 chapter 256J, and for grants to opportunities
259.25 industrialization centers. * **(The preceding**
259.26 **text beginning "Work Study. Of the TANF**
259.27 **appropriation," was indicated as vetoed**
259.28 **by the governor.)**

259.29 **Integrated Service Projects.** \$2,500,000
259.30 in fiscal year 2008 and \$2,500,000 in fiscal
259.31 year 2009 are appropriated from the TANF
259.32 fund to the commissioner to continue to
259.33 fund the existing integrated services projects
259.34 for MFIP families, and if funding allows,
259.35 additional similar projects.

260.1 **Base Adjustment.** The TANF base for fiscal
260.2 year 2010 is \$115,902,000 and for fiscal year
260.3 2011 is \$115,152,000.

260.4 **(c) MFIP Child Care Assistance Grants**

260.5 General	74,654,000	71,951,000
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260.6 **(d) Basic Sliding Fee Child Care Assistance**
260.7 **Grants**

260.8 General	42,995,000	45,008,000
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260.9 **Base Adjustment.** The general fund base
260.10 is \$44,881,000 for fiscal year 2010 and
260.11 \$44,852,000 for fiscal year 2011.

260.12 **At-Home Infant Care Program.** No
260.13 funding shall be allocated to or spent on
260.14 the at-home infant care program under
260.15 Minnesota Statutes, section 119B.035.

260.16 **(e) Child Care Development Grants**

260.17 General	4,390,000	6,390,000
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260.18 **Prekindergarten Exploratory Projects.** Of
260.19 the general fund appropriation, \$2,000,000
260.20 the first year and \$4,000,000 the second
260.21 year are for grants to the city of St. Paul,
260.22 Hennepin County, and Blue Earth County to
260.23 establish scholarship demonstration projects
260.24 to be conducted in partnership with the
260.25 Minnesota Early Learning Foundation to
260.26 promote children's school readiness. This
260.27 appropriation is available until June 30, 2009.

260.28 **Child Care Services Grants.** Of this
260.29 appropriation, \$500,000 each year are for
260.30 the purpose of providing child care services
260.31 grants under Minnesota Statutes, section
260.32 119B.21, subdivision 5. This appropriation
260.33 is for the 2008-2009 biennium only, and does
260.34 not increase the base funding.

261.1 **Early Childhood Professional**
261.2 **Development System.** Of this appropriation,
261.3 \$500,000 each year are for purposes of the
261.4 early childhood professional development
261.5 system, which increases the quality and
261.6 continuum of professional development
261.7 opportunities for child care practitioners.
261.8 This appropriation is for the 2008-2009
261.9 biennium only, and does not increase the
261.10 base funding.

261.11 **Base Adjustment.** The general fund base
261.12 is \$1,515,000 for each of fiscal years 2010
261.13 and 2011.

261.14 **(f) Child Support Enforcement Grants**

261.15 General	11,038,000	3,705,000
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261.16 **Child Support Enforcement.** \$7,333,000
261.17 for fiscal year 2008 is to make grants to
261.18 counties for child support enforcement
261.19 programs to make up for the loss under the
261.20 2005 federal Deficit Reduction Act of federal
261.21 matching funds for federal incentive funds
261.22 passed on to the counties by the state.
261.23 This appropriation is available until June 30,
261.24 2009.

261.25 **(g) Children's Services Grants**

261.26	Appropriations by Fund	
261.27 General	63,647,000	71,147,000
261.28 Health Care Access	250,000	-0-
261.29 TANF	240,000	340,000

261.30 **Grants for Programs Serving Young**
261.31 **Parents.** Of the TANF fund appropriation,
261.32 \$140,000 each year is for a grant to a program
261.33 or programs that provide comprehensive
261.34 services through a private, nonprofit agency

262.1 to young parents in Hennepin County who
262.2 have dropped out of school and are receiving
262.3 public assistance. The program administrator
262.4 shall report annually to the commissioner on
262.5 skills development, education, job training,
262.6 and job placement outcomes for program
262.7 participants.

262.8 **County Allocations for Rate Increases.**

262.9 County Children and Community Services
262.10 Act allocations shall be increased by
262.11 \$197,000 effective October 1, 2007, and
262.12 \$696,000 effective October 1, 2008, to help
262.13 counties pay for the rate adjustments to
262.14 day training and habilitation providers for
262.15 participants paid by county social service
262.16 funds. Notwithstanding the provisions of
262.17 Minnesota Statutes, section 256M.40, the
262.18 allocation to a county shall be based on
262.19 the county's proportion of social services
262.20 spending for day training and habilitation
262.21 services as determined in the most recent
262.22 social services expenditure and grant
262.23 reconciliation report.

262.24 **Privatized Adoption Grants.** Federal
262.25 reimbursement for privatized adoption grant
262.26 and foster care recruitment grant expenditures
262.27 is appropriated to the commissioner for
262.28 adoption grants and foster care and adoption
262.29 administrative purposes.

262.30 **Adoption Assistance Incentive Grants.**

262.31 Federal funds available during fiscal year
262.32 2008 and fiscal year 2009 for the adoption
262.33 incentive grants are appropriated to the
262.34 commissioner for these purposes.

263.1 **Adoption Assistance and Relative Custody**

263.2 **Assistance.** The commissioner may transfer
263.3 unencumbered appropriation balances for
263.4 adoption assistance and relative custody
263.5 assistance between fiscal years and between
263.6 programs.

263.7 **Children's Mental Health Grants.** Of the
263.8 general fund appropriation, \$5,913,000 in
263.9 fiscal year 2008 and \$6,825,000 in fiscal year
263.10 2009 are for children's mental health grants.
263.11 The purpose of these grants is to increase and
263.12 maintain the state's children's mental health
263.13 service capacity, especially for school-based
263.14 mental health services. The commissioner
263.15 shall require grantees to utilize all available
263.16 third party reimbursement sources as a
263.17 condition of using state grant funds. At
263.18 least 15 percent of these funds shall be
263.19 used to encourage efficiencies through early
263.20 intervention services. At least another 15
263.21 percent shall be used to provide respite care
263.22 services for children with severe emotional
263.23 disturbance at risk of out-of-home placement.

263.24 **Mental Health Crisis Services.** Of the
263.25 general fund appropriation, \$2,528,000 in
263.26 fiscal year 2008 and \$2,850,000 in fiscal year
263.27 2009 are for statewide funding of children's
263.28 mental health crisis services. Providers must
263.29 utilize all available funding streams.

263.30 **Children's Mental Health Evidence-Based**
263.31 **and Best Practices.** Of the general fund
263.32 appropriation, \$375,000 in fiscal year 2008
263.33 and \$750,000 in fiscal year 2009 are for
263.34 children's mental health evidence-based and
263.35 best practices including, but not limited

264.1 to: Adolescent Integrated Dual Diagnosis
264.2 Treatment services; school-based mental
264.3 health services; co-location of mental
264.4 health and physical health care, and; the
264.5 use of technological resources to better
264.6 inform diagnosis and development of
264.7 treatment plan development by mental
264.8 health professionals. The commissioner
264.9 shall require grantees to utilize all available
264.10 third-party reimbursement sources as a
264.11 condition of using state grant funds.

264.12 **Culturally Specific Mental Health**

264.13 **Treatment Grants.** Of the general fund
264.14 appropriation, \$75,000 in fiscal year 2008
264.15 and \$300,000 in fiscal year 2009 are for
264.16 children's mental health grants to support
264.17 increased availability of mental health
264.18 services for persons from cultural and
264.19 ethnic minorities within the state. The
264.20 commissioner shall use at least 20 percent
264.21 of these funds to help members of cultural
264.22 and ethnic minority communities to become
264.23 qualified mental health professionals and
264.24 practitioners. The commissioner shall assist
264.25 grantees to meet third-party credentialing
264.26 requirements and require them to utilize all
264.27 available third-party reimbursement sources
264.28 as a condition of using state grant funds.

264.29 **Mental Health Services for Children with**

264.30 **Special Treatment Needs.** Of the general
264.31 fund appropriation, \$50,000 in fiscal year
264.32 2008 and \$200,000 in fiscal year 2009 are
264.33 for children's mental health grants to support
264.34 increased availability of mental health
264.35 services for children with special treatment
264.36 needs. These shall include, but not be limited

265.1 to: victims of trauma, including children
265.2 subjected to abuse or neglect, veterans and
265.3 their families, and refugee populations;
265.4 persons with complex treatment needs, such
265.5 as eating disorders; and those with low
265.6 incidence disorders.

265.7 **MFIP and Children's Mental Health**

265.8 **Pilot Project.** Of the TANF appropriation,
265.9 \$100,000 in fiscal year 2008 and \$200,000
265.10 in fiscal year 2009 are to fund the MFIP
265.11 and children's mental health pilot project.
265.12 Of these amounts, up to \$100,000 may be
265.13 expended on evaluation of this pilot.

265.14 **Prenatal Alcohol or Drug Use.** Of the
265.15 general fund appropriation, \$75,000 each
265.16 year is to award grants beginning July 1,
265.17 2007, to programs that provide services
265.18 under Minnesota Statutes, section 254A.171,
265.19 in Pine, Kanabec, and Carlton Counties. This
265.20 appropriation shall become part of the base
265.21 appropriation.

265.22 **Base Adjustment.** The general fund base
265.23 is \$62,572,000 in fiscal year 2010 and
265.24 \$62,575,000 in fiscal year 2011.

265.25 **(h) Children and Community Services Grants**

265.26	General	101,369,000	69,208,000
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265.27 **Base Adjustment.** The general fund base
265.28 is \$69,274,000 in each of fiscal years 2010
265.29 and 2011.

265.30 **Targeted Case Management Temporary**

265.31 **Funding.** (a) Of the general fund
265.32 appropriation, \$32,667,000 in fiscal year
265.33 2008 is transferred to the targeted case
265.34 management contingency reserve account in

266.1 the general fund to be allocated to counties
266.2 and tribes affected by reductions in targeted
266.3 case management federal Medicaid revenue
266.4 as a result of the provisions in the federal
266.5 Deficit Reduction Act of 2005, Public Law
266.6 109-171.

266.7 (b) Contingent upon (1) publication by the
266.8 federal Centers for Medicare and Medicaid
266.9 Services of final regulations implementing
266.10 the targeted case management provisions
266.11 of the federal Deficit Reduction Act of
266.12 2005, Public Law 109-171, or (2) the
266.13 issuance of a finding by the Centers for
266.14 Medicare and Medicaid Services of federal
266.15 Medicaid overpayments for targeted case
266.16 management expenditures, up to \$32,667,000
266.17 is appropriated to the commissioner of human
266.18 services. Prior to distribution of funds, the
266.19 commissioner shall estimate and certify the
266.20 amount by which the federal regulations or
266.21 federal disallowance will reduce targeted
266.22 case management Medicaid revenue over the
266.23 2008-2009 biennium.

266.24 (c) Within 60 days of a contingency described
266.25 in paragraph (b), the commissioner shall
266.26 distribute the grants proportionate to each
266.27 affected county or tribe's targeted case
266.28 management federal earnings for calendar
266.29 year 2005, not to exceed the lower of (1) the
266.30 amount of the estimated reduction in federal
266.31 revenue or (2) \$32,667,000.

266.32 (d) These funds are available in either year of
266.33 the biennium. Counties and tribes shall use
266.34 these funds to pay for social service-related
266.35 costs, but the funds are not subject to

267.1 provisions of the Children and Community
267.2 Services Act grant under Minnesota Statutes,
267.3 chapter 256M.

267.4 (e) This appropriation shall be available to
267.5 pay counties and tribes for expenses incurred
267.6 on or after July 1, 2007. The appropriation
267.7 shall be available until expended.

267.8 (i) **General Assistance Grants**

267.9	General	37,876,000	38,253,000
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267.10 **General Assistance Standard.** The
267.11 commissioner shall set the monthly standard
267.12 of assistance for general assistance units
267.13 consisting of an adult recipient who is
267.14 childless and unmarried or living apart
267.15 from parents or a legal guardian at \$203.
267.16 The commissioner may reduce this amount
267.17 according to Laws 1997, chapter 85, article
267.18 3, section 54.

267.19 **Emergency General Assistance.** The
267.20 amount appropriated for emergency general
267.21 assistance funds is limited to no more
267.22 than \$7,889,812 in fiscal year 2008 and
267.23 \$7,889,812 in fiscal year 2009. Funds
267.24 to counties must be allocated by the
267.25 commissioner using the allocation method
267.26 specified in Minnesota Statutes, section
267.27 256D.06.

267.28 (j) **Minnesota Supplemental Aid Grants**

267.29	General	30,505,000	30,812,000
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267.30 **Emergency Minnesota Supplemental**
267.31 **Aid Funds.** The amount appropriated for
267.32 emergency Minnesota supplemental aid
267.33 funds is limited to no more than \$1,100,000
267.34 in fiscal year 2008 and \$1,100,000 in fiscal

268.1 year 2009. Funds to counties must be
268.2 allocated by the commissioner using the
268.3 allocation method specified in Minnesota
268.4 Statutes, section 256D.46.

268.5 **(k) Group Residential Housing Grants**

268.6	General	91,069,000	98,671,000
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268.7 **People Incorporated.** Of the general fund
268.8 appropriation, \$460,000 each year is to
268.9 augment community support and mental
268.10 health services provided to individuals
268.11 residing in facilities under Minnesota
268.12 Statutes, section 256I.05, subdivision 1m.

268.13 **(l) Other Children and Economic Assistance**
268.14 **Grants**

268.15	General	20,183,000	16,333,000
268.16	Federal TANF	1,500,000	1,500,000

268.17 **Base Adjustment.** The general fund base
268.18 shall be \$16,033,000 in fiscal year 2010 and
268.19 \$15,533,000 in fiscal year 2011. The TANF
268.20 base shall be \$1,500,000 in fiscal year 2010
268.21 and \$1,181,000 in fiscal year 2011.

268.22 **Homeless and Runaway Youth.** Of the
268.23 general fund appropriation, \$500,000 each
268.24 year are for the Runaway and Homeless
268.25 Youth Act under Minnesota Statutes, section
268.26 256K.45. Funds shall be spent in each area
268.27 of the continuum of care to ensure that
268.28 programs are meeting the greatest need. This
268.29 is a onetime appropriation.

268.30 **Long-Term Homelessness.** Of the general
268.31 fund appropriation, ~~\$1,500,000 each year~~
268.32 are \$2,000,000 in fiscal year 2008 is for
268.33 implementation of programs to address
268.34 long-term homelessness and is available in

269.1 either year of the biennium. This is a onetime
269.2 appropriation.

269.3 **Minnesota Community Action Grants. (a)**

269.4 Of the general fund appropriation, \$250,000
269.5 each year is for the purposes of Minnesota
269.6 community action grants under Minnesota
269.7 Statutes, sections 256E.30 to 256E.32. This
269.8 is a onetime appropriation.

269.9 (b) Of the TANF appropriation, \$1,500,000
269.10 each year is for community action agencies
269.11 for auto repairs, auto loans, and auto
269.12 purchase grants to individuals who are
269.13 eligible to receive benefits under Minnesota
269.14 Statutes, chapter 256J, or who have lost
269.15 eligibility for benefits under Minnesota
269.16 Statutes, chapter 256J, due to earnings in the
269.17 prior 12 months. Base level funding for this
269.18 activity shall be \$1,500,000 in fiscal year
269.19 2010 and \$1,181,000 in fiscal year 2011. *

269.20 **(The preceding text beginning "(b) Of the**
269.21 **TANF appropriation," was indicated as**
269.22 **vetoed by the governor.)**

269.23 (c) Money appropriated under paragraphs (a)
269.24 and (b) that is not spent in the first year does
269.25 not cancel but is available for the second
269.26 year.

269.27 Sec. 8. **SUNSET OF UNCODIFIED LANGUAGE.**

269.28 All uncoded language contained in this article expires on June 30, 2009, unless a
269.29 different expiration date is specified.

269.30 **ARTICLE 19**

269.31 **HEALTH AND HUMAN SERVICES FORECAST ADJUSTMENTS**

269.32 Section 1. **SUMMARY OF APPROPRIATIONS; DEPARTMENT OF HUMAN**
269.33 **SERVICES FORECAST ADJUSTMENT.**

H.F. No. 1812, 5th Engrossment - 2007-2008th Legislative Session (2007-2008)

270.1 The dollar amounts shown are added to or, if shown in parentheses, are subtracted
270.2 from the appropriations in Laws 2007, chapter 147, from the general fund, or any other
270.3 fund named, to the Department of Human Services for the purposes specified in this
270.4 article, to be available for the fiscal year indicated for each purpose. The figure "2008"
270.5 used in this article means that the appropriation or appropriations listed are available for
270.6 the fiscal year ending June 30, 2008. The figure "2009" used in this article means that
270.7 the appropriation or appropriations listed are available for the fiscal year ending June 30,
270.8 2009. Supplemental appropriations and reductions to appropriations for the fiscal year
270.9 ending June 30, 2008, are effective the day following final enactment.

270.10			<u>2008</u>		<u>2009</u>
270.11	<u>General</u>	\$	<u>6,739,000</u>	\$	<u>52,350,000</u>
270.12	<u>Health Care Access</u>		<u>(84,156,000)</u>		<u>(96,019,000)</u>
270.13	<u>Federal TANF</u>		<u>(28,427,000)</u>		<u>(7,441,000)</u>
270.14	<u>Total</u>	\$	<u>(105,844,000)</u>	\$	<u>(51,110,000)</u>

270.15 **Sec. 2. COMMISSIONER OF HUMAN**
270.16 **SERVICES**

270.17	Subdivision 1. <u>Total Appropriation</u>	\$	<u>(105,844,000)</u>	\$	<u>(51,110,000)</u>
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270.18 Appropriations by Fund

270.19		<u>2008</u>	<u>2009</u>
270.20	<u>General</u>	<u>6,739,000</u>	<u>52,350,000</u>
270.21	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
270.22	Federal TANF	(28,427,000)	(7,441,000)

270.23 Subd. 2. Revenue and Pass-Through

270.24	<u>Federal TANF</u>	<u>1,187,000</u>	<u>1,507,000</u>
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270.25 Subd. 3. Children and Economic Assistance
270.26 Grants

270.27	<u>General</u>	<u>(4,960,000)</u>	<u>5,925,000</u>
270.28	Federal TANF	(29,614,000)	(8,948,000)

270.29 The amounts that may be spent from this
270.30 appropriation for each purpose are as follows:

270.31 (a) **MFIP/DWP Grants**

270.32	<u>General</u>	<u>25,139,000</u>	<u>11,665,000</u>
270.33	Federal TANF	(29,614,000)	(8,948,000)

270.34	(b) MFIP Child Care Assistance Grants	(26,141,000)	(10,710,000)
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271.1	<u>(c) General Assistance Grants</u>	<u>2,529,000</u>	<u>6,033,000</u>
271.2	<u>(d) Minnesota Supplemental Aid Grants</u>	<u>299,000</u>	<u>500,000</u>
271.3	<u>(e) Group Residential Housing Grants</u>	<u>(6,786,000)</u>	<u>(1,563,000)</u>
271.4	<u>Subd. 4. Basic Health Care Grants</u>		
271.5	<u>General</u>	<u>30,075,000</u>	<u>48,389,000</u>
271.6	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
271.7	<u>The amounts that may be spent from this</u>		
271.8	<u>appropriation for each purpose are as follows:</u>		
271.9	<u>(a) MinnesotaCare</u>		
271.10	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
271.11	<u>(b) MA Basic Health Care - Families and</u>		
271.12	<u>Children</u>	<u>13,525,000</u>	<u>7,005,000</u>
271.13	<u>(c) MA Basic Health Care - Elderly and</u>		
271.14	<u>Disabled</u>	<u>(2,292,000)</u>	<u>5,479,000</u>
271.15	<u>(d) General Assistance Medical Care</u>	<u>18,842,000</u>	<u>35,905,000</u>
271.16	<u>Subd. 5. Continuing Care Grants</u>	<u>(18,376,000)</u>	<u>(1,964,000)</u>
271.17	<u>The amounts that may be spent from this</u>		
271.18	<u>appropriation for each purpose are as follows:</u>		
271.19	<u>(a) MA Long-Term Care Facilities</u>	<u>(10,986,000)</u>	<u>(2,148,000)</u>
271.20	<u>(b) MA Long-Term Care Waivers</u>	<u>(18,484,000)</u>	<u>(13,598,000)</u>
271.21	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>11,094,000</u>	<u>13,782,000</u>

APPENDIX
Article locations in H1812-5

ARTICLE 1	SUMMARY	Page.Ln 2.25
ARTICLE 2	EARLY CHILDHOOD THROUGH GRADE 12 EDUCATION	Page.Ln 3.3
ARTICLE 3	EDUCATION FORECAST ADJUSTMENTS	Page.Ln 38.22
ARTICLE 4	HIGHER EDUCATION	Page.Ln 46.13
ARTICLE 5	ENVIRONMENT AND NATURAL RESOURCES	Page.Ln 55.16
ARTICLE 6	ENERGY, COMMERCE, UTILITIES	Page.Ln 92.30
ARTICLE 7	AGRICULTURE	Page.Ln 103.26
ARTICLE 8	VETERANS AFFAIRS	Page.Ln 114.13
ARTICLE 9	MILITARY AFFAIRS	Page.Ln 118.30
ARTICLE 10	ECONOMIC DEVELOPMENT	Page.Ln 123.20
ARTICLE 11	TRANSPORTATION	Page.Ln 162.22
ARTICLE 12	PUBLIC SAFETY	Page.Ln 170.2
ARTICLE 13	STATE GOVERNMENT	Page.Ln 175.23
ARTICLE 14	RESERVES AND TRANSFERS	Page.Ln 188.9
ARTICLE 15	CONTINUING CARE	Page.Ln 188.23
ARTICLE 16	CHILDREN AND FAMILY SERVICES	Page.Ln 210.25
ARTICLE 17	HEALTH CARE	Page.Ln 216.27
ARTICLE 18	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 231.3
ARTICLE 19	HEALTH AND HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 269.30

126C.21 DEDUCTIONS FROM GENERAL EDUCATION AID.

Subdivision 1. **Permanent school fund.** The amount of money received by a district as income from the permanent school fund for any year must be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.

127A.45 PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.

Subd. 7a. **Advance final payment.** (a) Notwithstanding subdivisions 3 and 7, a school district or a charter school exceeding its expenditure limitations under section 123B.83 as of June 30 of the prior fiscal year may receive a portion of its final payment for the current fiscal year on June 20, if requested by the district. The amount paid under this subdivision must not exceed the lesser of:

(1) seven percent of the district or charter school's general education aid for the current fiscal year; or

(2) the amount by which the district or charter school's net negative unreserved general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the district or charter school's expenditures for that fiscal year.

(b) The state total advance final payment under this subdivision for any year must not exceed \$12,000,000. If the amount requested exceeds \$12,000,000, the advance final payment for each eligible district must be reduced proportionately.

256.741 CHILD SUPPORT AND MAINTENANCE.

Subd. 15. **Child support distribution.** The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

341.31 SIMULCAST LICENSES.

The commission shall issue a license to a person or organization holding, showing, or exhibiting a simultaneous telecast of any live, current, or spontaneous boxing or sparring match on a closed circuit telecast or subscription television program viewed within the state, whether originating in this state or elsewhere, and for which a charge is made. Each person or organization shall apply for such a license in advance of each showing. No showing may be licensed unless the person or organization applying for the license:

(1) certifies that the match is subject to the jurisdiction and regulation of a boxing or athletic regulatory authority in another state or country;

(2) certifies the match is in compliance with the requirements of the authority;

(3) identifies the authority; and

(4) provides any information the commission may require.

APPENDIX
Repealed Minnesota Session Laws: H1812-5

Laws 2004, chapter 188, section 2

Sec. 2. TRANSFERS AND CANCELLATIONS

Subdivision 1. Vocational Rehabilitation Transfer

Beginning in fiscal year 2005, the commissioner of employment and economic development may transfer \$1,325,000 from the independent living program's general fund appropriation to the vocational rehabilitation program. Each year the state director of the vocational rehabilitation program shall immediately restore from the vocational rehabilitation program's federal Social Security Administration program income or federal Title I funds, the \$1,325,000 to the Centers for Independent Living.

Subd. 2. Federal Funds Match

The transferred independent living general funds under subdivision 1 must be used to match federal vocational rehabilitation funds as they become available, and each year the resulting additional federal funds must be divided equally between the vocational rehabilitation program and the Centers for Independent Living.

The maximum amount of federal vocational rehabilitation funds that may be shared with the Centers for Independent Living is \$2,438,000. The vocational rehabilitation program may not use the Centers for Independent Living's share of the additional federal funds for any other purpose than to fund the Centers for Independent Living.

Subd. 3. Data Sharing

The Centers for Independent Living must share data with the vocational rehabilitation program to ensure that the transfer of funds under subdivision 1 and the related contracts meet all legal requirements.

Laws 2007, First Special Session chapter 2, article 1, section 11 Subdivisions 3, 4,

Sec. 11. EDUCATION

**Subd. 3. Independent School District No. 238,
Mabel-Canton**

50,000

For facilities cleanup, repair, and replacement costs related to the floods of August 2007 not covered by the district's insurance settlement or through Federal Emergency Management Agency payments. The commissioner of education may request the school district to provide necessary information before awarding a grant.

**Subd. 4. Independent School District No. 294,
Houston**

60,000

For facilities cleanup, repair, and replacement costs related to the floods of August 2007 not covered by the district's insurance settlement or through Federal Emergency Management Agency payments. The commissioner of education may request the school district to provide necessary information before awarding a grant.